

The ORIENTAL ECONOMIST

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Money Rate Levels

Defense Expansion

Small & Medium-sized Business

Rising Living Standards of Workers

Labor Offensive & Government Workers

Money Slackening at High Pitch

London Talks & Territory Issue

Surplus Farm Produce

Cotton Spinning

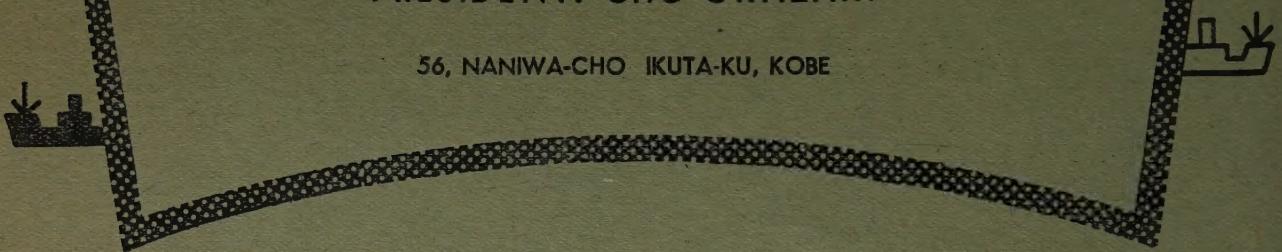
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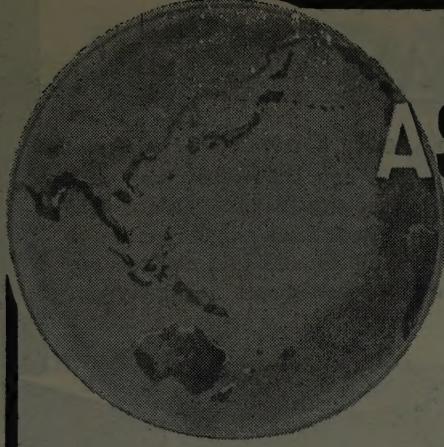
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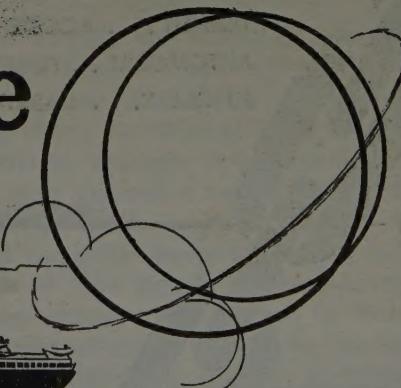
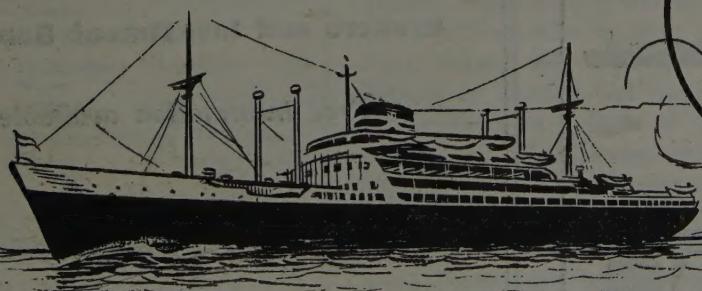


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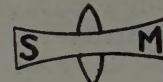
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Review of the Month

THE Russo-Japanese talks in London hit a crucial snag on February 10 over the territorial problem, and no fresh turn in the situation appears likely without some concessions by one of the two negotiating parties. At the 20th plenary session of the London

London Talks & TERRITORY ISSUE

Jacob Malik made a formal Russian offer to return the Habomai and Shikotan islands.

In the Russian draft, it is particularly stated that the Soviet Union will "cede" these islands to Japan apparently with the intention of justifying the stand she has maintained throughout the current negotiations that all the former Japanese islands which Russia has occupied belong to her. Japan's Ambassador Shunichi Matsumoto, in flatly rejecting the Russian offer, reiterated the original Japanese claim for the return of Etorofu and Kunashiri islands together with Habomai and Shikotan and an international conference (including Japan and the Soviet Union) to determine the status of South Sakhalin and Northern Kuriles at some future date.

That the Islands of Etorofu and Kunashiri never belonged to a foreign country is an indisputable fact and the Japanese people are dearly attached to these islands. It is reported that Mr. Matsumoto, in turning down the Russian draft, stressed the apparent impossibility of an amicable conclusion of the current talks without the Russian guarantee for the return of the latter two islands. His stand is quite justifiable. Japan's title to the Islands of Etorofu and Kunashiri was confirmed by Russia in the Russo-Japanese Treaty of 1855 signed at Shimoda (Japan) and recognized without any change up to the end of World War II. The Japanese Government interprets that these two islands were not included in the Kurile Islands as referred to in the Japanese Peace Treaty signed at San Francisco in 1951. Thus, the Japanese people are unalterably convinced that Japan is thoroughly entitled to claim the return of these two islands.

In this connection, the attitude of the Japanese Socialists towards the territorial problem is preposterously incomprehensible to the majority of the Japanese people. The Japan Socialist Party, referring to the territorial issue in its "Policy for Diplomatic Resumption with Soviet Russia" in conjunction with Ogasawara and Okinawa now under American occupation, asserts that, while having no objection to demanding the return of Kuriles and South Sakhalin from Russia, it considers it difficult to induce the Soviet Union to agree to the return of all the former Japanese territories now under Russian control as long as the present state of U.S. occupation in Ogasawara and Okinawa is allowed to continue. It is on this unilateral interpretation of the situation

that the Socialist Party bases its policy for early rapprochement between Tokyo and Moscow by acquiescing to the termination of a state of war with Russia first, bypassing the deadlocked territorial issue which, it claims, may be left to later negotiations.

THE Socialist interpretation is unfortunately mistaken, as South Sakhalin and Kuriles on the one hand and Ogasawara and Okinawa on the other carry entirely different characters under the Japanese

**SOCIALIST
REASONING** Peace Treaty. It is true that Japan, as the Socialists assert, renounced her title to Kuriles and South

Sakhalin under the San Francisco treaty, but the treaty still recognizes Japan's sovereignty over Ogasawara and Okinawa which she was not asked to renounce. If the Socialist reasoning stands, it turns out that Japan is not justified to ask for the return of Ogasawara and Okinawa over which she still holds sovereignty and which are only temporarily occupied by the United States unless Kuriles and South Sakhalin are returned. The majority of the Japanese people are in opposition to such an unrealistic claim. They simply demand the restoration of Japan's full-fledged sovereignty over Etorofu and Kunashiri, the two islands which are traditionally and historically her own from time immemorial. We are fully aware of the purport of the Allied declarations made during World War II—the Atlantic Charter, the Cairo Declaration, the Yalta Agreement and the Potsdam Declaration—demanding the surrender of the territories Japan seized by violence in the past. Then, are the Japanese claim for the return of Kunashiri and Etorofu unreasonable and unjustifiable?

Radio Moscow was quoted by AP as reporting on February 10, simultaneously with the opening of the 20th session of the Russo-Japanese talks at London, that the Soviet Council of Ministers, charging that the "rapacity of the Japanese fishing industry" threatens to destroy the salmon industry in the Far East, ordered the Soviet Minister of Fishing Industry to draw up proposals for urgent measures to solve the problem. Meanwhile, the latest negotiations for Soviet timber imports into Japan are reported deadlocked because of the Soviet rejection to have the timber cut to suit Japanese measurements. Such latest developments in relations between Japan and the Soviet Union may be interpreted as being closely linked with the Kremlin's manœuvres to force Japan to concede to an early conclusion of the London negotiations. Japan expects to have many cardinal problems, besides the territorial issue, such as those concerned with fisheries, commerce, repatriation of Japanese detainees and Japan's participation in UN, solved through the London talks. For all that, Japan should under no circumstances be tempted to neglect the territorial issue in her excessive haste to settle other problems. The Government cannot be too cautious in this respect.

THE second Japan-U.S. agreement and related documents providing for Japan's purchase of U.S. surplus farm produce were signed here on February 10. The agreement, due to become effective upon

**SURPLUS FARM
PRODUCE** the approval by the Japanese Diet, provides for the supply of American surplus farm produce

totalling \$65,800,000 in value to Japan during the U.S. fiscal year ending June, 1956. The details of such surplus farm produce are: (in \$1,000,000): wheat 27.3; barley 4.8; corn and other feeds 6.4; cotton 18.7; tobacco leaf 2.7; ocean freight 5.9. The amount equivalent to the expenses to be paid by the American authorities in the U.S. for the purchase of the above farm produce will be deposited in yen currency in the U.S. Government's special account within the Bank of Japan. Of the above yen funds, 75 percent (\$49,350,000) will be loaned to Japan for economic development purposes and the remaining 25 percent will be spent for expenses to be made by the U.S. Government in Japan 1) for procurement of goods and services for defense purposes, 2) for purchase of goods and services for other countries, 3) for exploration of markets for American agricultural produce in Japan, 4) for educational interchange and 5) for payment of U.S. liabilities to Japan. The term of the loan will be 40 years from April 1, 1956 and the interest rate will be three percent in case the repayment is made in dollars and four percent if it is repaid in yen currency. For the first three years, Japan will be exempted from paying the interest with the first repayment of the principal to be made April 1, 1960. The two countries also signed an agreement on the use of grants. The newly reached agreement provides that the total grants agreed upon last year amounting to \$15,000,000 should be used only for wheat and powdered skimmed milk to the exclusion of cotton, which, in the former agreement, was to get as much as \$3,000,000. The agreement also provides that the total amount of grants should be reduced \$3,750,000 on every future occasion. Thus, the second series under the current agreement amounts to \$11,250,000 and the grants are to cease after the delivery of the fourth series.

With the grants by the second agreement thus amounting to \$11,250,000, the deliveries of surplus farm produce under the current agreement come to total \$77,050,000 as compared with \$100,000,000 (including \$15,000,000 grants) in the initial agreement. Under the current agreement, the percentage of the yen funds placed at the disposal of Japan has been raised to 75.0 percent from 70.0 percent under the initial agreement while that to be used by the U.S. has been reduced to 25.0 percent from 30.0 percent. The exclusion from the list of surplus farm produce of rice (which, included in the initial list, stood in the way of Japanese trade with Southeast Asian countries) is another feature of the new arrangement.

The agreement, however, is not an unconditional plus to Japan. It should be noted that while it is to

the advantage of Japan to be able to purchase surplus farm produce in the form of a long-term loan that the purchases are payable in yen and that the agreement carries grants gratis, this country is also subject to the disadvantage having to buy what in some instances are not particularly short supplied. In the present agreement, rice has been excluded from the purchase list, but cotton and leaf tobacco threaten to become oversupplied. The agreement is so conditioned that Japanese imports of American farm products by normal trade may not thereby dwindle. Hence, Japan's imports from the United States are bound to increase accordingly and her purchases from other sources, as of consequence, will have to be contracted. In recent years, Japan has been purchasing farm products mostly from Southeast Asian countries and selling her industrial products to them as collaterals. Thus, any cut in Japanese imports from Southeast Asia means the corresponding decrease in her exports to that region. After all, the surplus farm produce purchase is a business proposition and its merits and demerits will be thoroughly scrutinized in the course of the forthcoming Diet deliberations.

THE long-heralded spring labor offensive under the sponsorship of Sohyo (General Council of Japanese Trade Unions) has started with the workers of the National Railways swinging into action on February

LABOR OFFENSIVE 14 as the precursor of the first & GOVERNMENT wave of the nationwide "struggle." Other key unions such as WORKERS

All-Japan Communication Employees Union, National Telecommunication Workers Union, All Monopoly Corporation Workers Union, Japan General Federation of Private Railway Workers Unions, Japan Coal Miners Union and Federation of Synthetic Chemical Industry Workers Unions followed suit by rejecting overtime operations or holding workshop rallies on February 15. With the first wave ended on February 20, the second wave came close in the wake for eight days between February 24 and March 2 to coincide with the budgetary debate at the House of Representatives. Sohyo plans to order its member unions to jump into the third, fourth and fifth waves if they have failed to attain the wage-hike goal through the first two. The current spring labor offensive is almost unprecedented in Japan's labor history in that the "struggle" has been pushed jointly and simultaneously by unions of government and public workers as well as private workers. This strategy is not justifiable, as those two unions cannot be grouped equally at least as far as the wage problem is concerned. Workers in private industries with comfortable earnings may well be entitled to ask for wage raises, and their wage-hike demands will succeed in many instances as long as they do not demand the full share of the earnings. The situation is different with government or public workers as their wages are paid out of taxes from the pockets of the masses. Moreover, the average

base of the wages of government and public workers is almost equal to that in key industries and stands higher than the overall average wage in all industries. The latest survey by Nikkeiren (Japan Federation of Employers Association) revealed that the average monthly pay including overtime as of July, 1955 stands at ¥15,724 in private industries employing 30 or more workers and ¥18,128 in those with 500 or more workers, while the figure in government offices stands at ¥17,816. Considering other merits to which government and public workers are almost exclusively entitled such as periodical salary raises, formal retirement allowances and a pension system, they are privileged to enjoy wage advantages far more favorable than private workers. Is a ¥2,000 wage raise, then, so pressing for them at this moment as to compel a nationwide "strike" at the sacrifice of the masses?

According to experts, the proposed ¥2,000 wage hike, if realized, will necessitate an additional revenue source of some ¥70,000 million (the Central Government and local public bodies inclusive), and this will demand a drastic revision of the 1956-57 budget plan. In this connection, the Japan Socialist Party, which has been in full support of the "labor's spring offensive," is not free from criticism. Chairman Mosaburo Suzuki of the Socialist Party in the course of his stumping tour recently stated that his party was getting ready to introduce a non-confidence bill against the Hatoyama Cabinet at the time when the spring labor offensive reaches its zenith. Assuming that the Socialists have perchance come into power through the success of the proposed showdown, what revenue source do they have in mind to finance the Socialist-supported wage hike? Mr. Suzuki and his party are responsible for making known to the people their own plan in this connection.

Meanwhile, the Government on February 11 defined the "illegitimate" acts of dispute the government and public service workers may employ in the spring offensive which are subject to punishment. They include: 1) furlough-taking without notice as part of the "struggle"; 2) rejection of official orders for overtime operation; 3) picketing; and 4) sit-downs and other demonstrations in government facilities or public corporation premises. Government and public workers, without the right to strike, have substituted such "superficially law-abiding" acts for positive dispute struggles in the past. While the unions belonging to the National Council of Government and Public Workers Unions apparently has taken it unilaterally granted that such camouflaged "law-abiding" measures as coming within the permissible bounds based on what it calls "tacit understanding," we consider such resorts unmistakably illegal. The Government, on its part, is responsible for letting the unions establish such "fait accompli."

It is urged that all disciplinary measures should be taken by the Government so that the February 11 warning may not prove a nominal gesture.

Business Indicators

Prices:—The wholesale prices continued a stiff tempo from late 1955 through early February principally because of the sharp advance of iron-steel and nonferrous metals. According to the weekly wholesale price survey by the Economic Planning Board, the average index of metals prices as of early February was 26.0% higher than the 1955 low in June. Responsible for the climb were brisk exports and the strength of the overseas commodity market as well as the sharply increasing domestic demand for steel materials and nonferrous metals for shipbuilding in the wake of the record influx of orders for vessels from abroad. Hence, the latest price hike of metal items was partially speculative, although such speculative purchases have apparently come to an end by mid-February. Also on the march, although to lesser degrees, were the prices of sundries (paper, pulp, rubber and hides-leathers), chemical products, fuel items and textiles. The gain of sundries was mainly attributable to the sudden soaring of the crude rubber market in the autumn of 1955 while the advance of fuel items was chiefly due to the recovery of the coal market. The overall price raises of soda products and organic and intermediate lines accounted for the strength of chemicals while the textiles market found a major stimulant in the strong tone of rayon filament yarn and the stabilization of cotton yarn and fabrics. All other items, including building materials, foodstuffs and machinery, fell to the levels lower than a year ago. Especially notable were the recession of building materials and foodstuffs. For the former, the weakening of cement and lumber proved a major damper while the soft market due to bumper crops of rice and other major farm products retarded the latter.

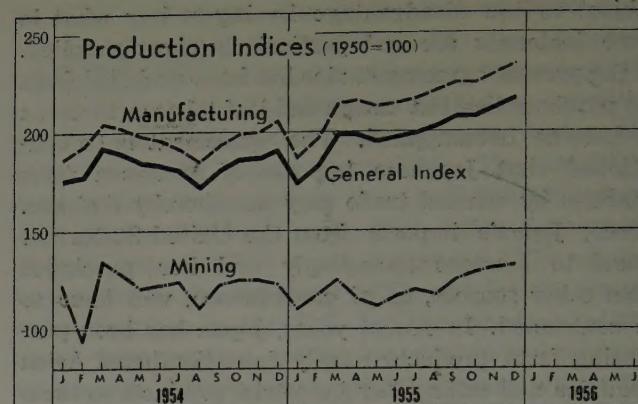
With the freight rates on the climb and inventories on the decline, the wholesale price front is likely to continue strong into the spring season, although the march of metals may begin to mark time and some food items, particularly perishables, may weaken due to a seasonal increase of deliveries.

1. WHOLESALE PRICE INDICES (June, 1950=100).

	Feb., 1955	June, 1955	Oct., 1955	Dec., 1955	Feb., 1956
Total Average	153.0	146.9	155.0	153.5	157.2
Foodstuffs	154.3	137.4	153.6	143.9	145.8
Textiles	90.8	88.8	88.3	89.0	90.9
Fuels	160.2	157.5	158.7	160.4	161.5
Metals	216.6	211.4	240.6	244.6	265.5
Machinery	179.8	180.6	177.2	175.2	175.0
Building Materials	215.4	206.0	208.3	206.7	205.5
Chemicals	101.9	101.4	102.1	104.0	105.5
Sundries	134.8	135.9	139.9	140.0	138.7
Consumer Goods	145.3	132.8	144.8	138.8	140.2
Producer Goods	157.2	154.6	160.4	161.5	166.4
Total Average minus Foodstuffs	152.6	149.9	155.3	156.5	160.7

Note: As of mid-month.

Source: Economic Planning Board.



Consumer Demand:—The fair expansion of consumer demand is a basic support for the recent stability of prices. The latest trend of department store sales gives an eloquent yardstick. According to the Ministry of International Trade and Industry, the sales of all department stores in the country during November last year were 12.4% up over the like month a year ago. The November gain last year was particularly noteworthy in view of the fact that the sales had registered some drop in November, 1954 from a year before. The increasing tone continued unabated into December which saw the sales of department stores in the Tokyo area rise by 14.3% over a year ago. The proceeds in January this year also eclipsed the like month in 1955 by about 11.0%, according to preliminary figures. Renewed activity of equipment investments was another accelerator to the increment of consumption. According to the latest survey by the Economic Planning Board, orders received by machinery makers, extremely depressed from 1954 through early 1955, began to pick up from about April last year and neared a peak last autumn. The swift aggrandizement of equipment investments is due to several factors including, above all: 1) The comfortable increase of owned capital due to larger corporate earnings; 2) A stimulant in the form of brisk exports; 3) The advent of an equipment replacement period; 4) The rise of new industries such as petrochemical mills; and 5) A new spur to new equipment investments through the slip of money rates.

2. DEPARTMENT STORE SALES

	1953-54	1954-55		
	¥100 million	Indices (A year ago as 100)	¥100 million	Indices (A year ago as 100)
May	141.3	111.3	147.9	104.7
June	137.3	112.1	147.1	107.2
July	182.4	113.1	193.1	105.9
August	142.4	102.7	138.7	108.1
September	111.3	99.4	124.5	111.9
October	173.0	113.0	173.7	100.4
November	173.8	97.9	195.3	112.4

Source: Compiled by *The Oriental Economist* from MITI figures.

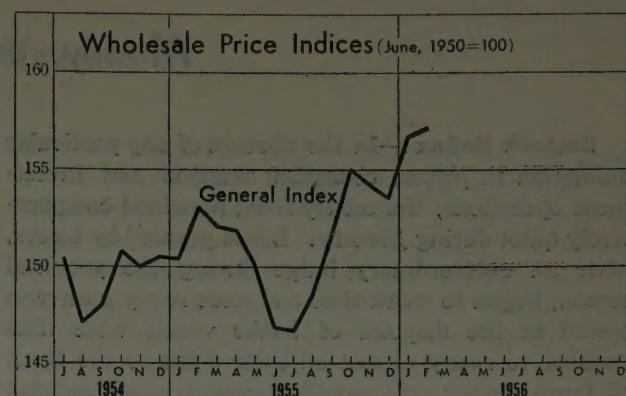
Inventories—The steady dwindling of inventories is another factor which has stiffened the prices in recent months. According to the index of manufacturers' inventories began to dip from last August and stood in December 15.0% below the July peak and 13.0% below the like month a year ago. Especially sharp was the decline of nonferrous metals inventories which were nearly halved by the end of December last year from a year ago. Also notable was the decrease of mineral products including coal which stood some 35.0% lower. Textiles and iron-steel dropped by 17.0-18.0% while ceramics were about 10.0% smaller. On the other hand, rubber goods gained by 36.1% with chemicals, petroleum and coal products, hides-leathers and paper-pulp also up over a year ago, although marginally. Merchants' inventories gave a different picture, the overall index as of the end of December, 1955 registering an average gain of over 10.0% over a year ago apparently because wholesalers and retailers tried to replenish stocks in advance. Stocks of raw materials also gained because of active imports.

3. INDICES OF MANUFACTURERS' INVENTORIES (1950 average=100)

	Nov., 1955	Dec., 1955	Against Nov., 1955	Against Dec., 1954
Mining-Manufacturing	138.6	132.1	95.3	87.0
Mining	92.3	82.1	88.9	65.0
Manufacturing	144.5	138.5	95.8	89.4
Iron & Steel	164.9	155.3	94.2	84.2
Non-ferrous Metals	68.2	67.4	98.8	54.2
Machinery	161.1	159.6	99.1	95.9
Textiles	108.3	102.8	94.9	83.6
Paper, Pulp	285.4	296.5	103.9	100.3
Chemicals	262.5	247.9	94.4	108.7
Petroleum, Coal Products	148.9	144.7	97.2	108.2
Ceramics	143.1	128.3	89.7	91.1
Rubber Goods	169.4	175.9	103.8	136.1
Hides, Leathers	103.0	100.2	97.3	101.4
Others	88.4	76.9	87.0	93.9

Source: Ministry of International Trade & Industry.

Production—With manufacturers' inventories down and inventory financing active, production continued its high pace. Fair exports and brisk domestic consumption gave an additional impetus. According to the Economic Planning Board, the production index (mining and manufacturing inclusive) as of December, 1955 exceeded the November mark by 2.5% to register a new postwar peak and beat the like month a year ago by 13.1%. Machinery made the biggest gain of 22.0% with metals and chemicals also up by 17.0-18.0% as activation of equipment investments and the continued export boom of metals came as major spurs. Foodstuffs, rubber goods and hides-leathers also gained by 14.0%, respectively. The increasing pace, however, was less energetic for the annual total. The average production index for 1955 was 7.7% up over the 1954 average with chemicals heading the list with the gain of 18.5%, followed by printing-bookbinding with 14.3% and metals with 13.5%. Machinery, which in December, 1955 markedly eclipsed the mark a year ago, fell below the 1954 mark in the annual total, apparently because of inactive equipment investments and the inactivity in the first half of 1955. Foodstuffs, mining



and ceramics remained almost intact from the 1954 mark in the yearly totals. With production thus retaining a high pitch, there is apparently no immediate fear of the price soaring due to supply shortages, although a grey market may appear for scrap, sheet steel and electrolytic copper which have been comparatively shortsupplied on the market.

4. DECEMBER PRODUCTION INDICES

(1934-36 average=100)

	Dec., 1955	Against Dec., 1954	Average 1955	Against Average 1954
Mining-Manufacturing	195.5	113.1	179.7	107.7
Mining	128.5	109.0	117.2	100.2
Manufacturing	204.7	113.5	188.2	108.3
Foodstuffs	232.4	114.0	191.8	100.0
Textiles	93.9	108.3	86.3	105.4
Printing, Bookbinding	129.7	105.6	125.3	114.3
Chemicals	341.9	118.6	316.7	118.5
Rubber, Leathers	195.6	113.9	181.8	106.4
Lumber & Wood Products	188.9	101.4	186.0	105.1
Ceramics	190.7	109.2	175.6	100.2
Metals	231.1	117.1	218.2	113.5
Machinery	274.6	122.0	250.2	97.2

Source: Economic Planning Board.

Living Cost—The living cost index for January, 1956 marked a slight gain of 0.3% over the December (1955) equivalent, as the rise of the housing expense (due to the elevation of water charges, housing repair expenses and furniture prices) more than counterbalanced the dip of staple food and clothing expenses. As compared with January, 1955, the housing expense rose by 8.9%, although the total average slipped by 0.9% because of the drop of food and clothing expenses. Meanwhile, the average living cost index for 1955 recorded a decline of 1.4% from the 1954 average with the housing expense up 4.2%, the sundry expense up 2.2%, the light-fuel-expense up 1.5% and the food expense (including staple food) down 3.5%.

5. TOKYO CONSUMER PRICE INDICES

(1951=100)

	Dec., 1955	Jan., 1956	Against Dec., 1955	Against Jan., 1955
Total Average	115.2	115.6	100.3	99.1
Foodstuffs	100.1	110.6	100.5	97.4
Staple	121.7	121.3	99.7	97.9
Non-staple	104.0	105.0	101.0	97.3
Clothing	82.0	81.6	99.5	98.7
Light-Fuel	139.4	139.4	100.0	99.1
Housing	133.2	136.8	102.7	180.9
Miscellaneous	139.0	139.0	100.0	100.9

Source: Bureau of Statistics, Prime Minister's Office.

Money and Banking

Smooth Reflux:—In the absence of any particular animation in prices, consumer demand and investment operations, the money front remained comparatively quiet during January. Loans granted by banks, after an extraordinary bulge during the year-end season, began to mark time and more ready cash was placed at the disposal of banks which were thus enabled to repay almost all their debts to the Bank of Japan during the month except a small amount of low-interest borrowings. In the call market, call loans predominated to the sharp dwindling of call money. Surplus funds in the hands of monetary institutions consequently were largely mobilized for the purchases of short-term government bonds marketed by the Bank of Japan. A smooth reflux of currency to the central bank ensued. Money from December through January moved just in conformity with a customary rule—the currency issue hitting a peak at the close of the year (December 30) and shrinking sharply through an active reflux in January. The balance of note issue as of December 30 last year climbed to an all-year high of ¥743,100 million and then slipped to ¥673,800 million on the following day, December 31. At the close of January this year, however, the balance dwindled to ¥582,800 million, marking a notable shrinkage of ¥91,000 million during the month, some ¥30,400 million larger than the corresponding dip of ¥60,600 million a year ago. Two major factors accounted for the sharp dwarfing of the note issue balance during January: 1) The notable excess of financial fund withdrawals, which by far exceeded the original mark of ¥50,000 million, to register ¥70,200 million during January; and 2) The active absorption of surplus funds in the hands of banks due to the unexpectedly fair result of the sales of short-term government bonds (foreign exchange and food notes) by the Bank of Japan. The January withdrawal excess (the public to treasury balance) totalling ¥70,200 million was due largely to the ¥18,100 million overreceipt in the Food Control Account and the ¥30,000 million overreceipt in the general account which more than sufficiently counterbalanced the ¥11,300 million overpayment in the Foreign Exchange Account. This was ¥23,500 million larger than the withdrawal excess of ¥46,700 million in the like month a year ago. The trend was well reflected in the accounts of all banks which recorded a ¥74,500 million slip in deposits during January. Loans granted also shrank by ¥35,600 million in reaction to a sizable increase of fund demands at the end of last year. Under the circumstances, the month-end total of surplus funds at banks decreased somewhat but not sharply enough to change the keynote of the easy money situation. Meanwhile, Bank of Japan loans dipped ¥3,800 million during January

to the month-end balance of ¥28,100 million comprising largely low-interest loans for export financing. To cope with the development, the Bank of Japan started active sales operations of short-term bonds. This step proved highly successful, as the sales reached a peak of ¥75,000 million as of January 23. The call market, on the other hand, was extremely dull throughout the month under the impact of fund oversupplies, and the standard rates (unconditional loans) stayed around 1.4-1.6 sen (per ¥100 per diem) with the exception of a few days at the end of the month. Idle funds were mobilized for the sales operations by the Bank of Japan with the per diem yield reaching about 1.6 sen (although the surface rate stood around 1.5 sen).

Course of Money Policy:—The easy money situation, apparent towards the close of last year, continued unabated into 1956 with the sure prospect of a similar trend to last for some time. Insiders predict that fiscal 1956 will see financial funds register a huge ¥98,000 million withdrawal excess on the strength of fair exports. They consider that the demand for funds may gain but not actively enough to change the general outlook. Meanwhile, the institution of a payment reserve system is now under consideration. Under the proposed system, a certain portion of bank deposits will be legally required to be redeposited with the Bank of Japan to serve as a means for regulating the movement of money. Whether the new system will materialize in the near future, however, is highly problematic as the policy of absorbing idle funds from money organs apparently goes counter to the Finance Ministry's intention to force money rates to fall further. The Liberal-Democratic plan for the creation of a Funds Control Commission (calling for a state control over part of private funds for the benefit of the official five-year economic program), which was originally bound for the 24th Diet session, was discarded due to strong opposition by various circles. Instead, a substitute under the name of "Monetary System Investigation Commission" has been created within the Administration Party to start exhaustive scrutinies of the Bank of Japan Law, the Banking Law and the Emergency Funds Adjustment Law.

MONEY IN JANUARY
(In ¥100 million)

	1955-56	A year ago
Note issue (End of December)	6,738	6,220
Note issue (End of January)	5,828	5,614
Decreases	910	606
Bank of Japan credit (A)	↔ 238	↔ 139
Discounts & loans	↔ 38	↔ 66
Govt. payment balance (B)	↔ 702	↔ 467
(A)+(B)	↔ 910	↔ 606

Source: Compiled on the basis of Bank of Japan figures.

Stock Market

Bearish Tone :—The stock market sentiment has grown bearish from late January, although no particular slip of share prices has been noted. The daily volume of turnovers has been steadily tapering in the absence of active rallies. The Dow-Jones average of 225 leading industrials for the first 16 days of February stood at ¥426.46, slightly up over the January average of ¥426.40. The average during the first half of February climbed to ¥430.64 on February 3, but began to soften later to dip to ¥422.50 on February 15. The average of daily transactions also slipped to 11,709,000 during the first 15 days of the month, a mark somewhat lower than the like averages in December and January. Indications are that the sluggish market is bound to continue for some time. No particular deterrents have been in evidence to account for the latest market lull except the imminent threat of the spring labor offensive sponsored by Sohyo.

Evening-up operations active in the wake of the sharp upturn which continued almost without a break from July last year through January this year are considered responsible for the current market softening. A similar reactionary shakedown marked the market in February last year, but this year the sliding has come a little earlier. Last year, the market sharply rebounded on the strength of the Soviet cabinet reshuffle and a reactionary slip followed. The market this year, however, will take a sounder course as share prices are certain to rally under the support of easy money and lower money rates which are due to continue after the end of the present round of evening-up transactions.

1. SHARE PRICES AND TURNOVERS

Year & Month	Share Prices (In yen)			Average Daily Turnovers (In 1,000 shares)
	High	Low	Average	
1955: June	351.20	348.05	354.47	5,467
July	357.50	351.25	355.56	5,585
August	387.12	365.67	377.48	9,693
September	388.42	388.13	386.15	8,831
October	410.29	385.57	401.47	12,080
November	410.36	393.28	401.53	12,115
December	425.69	398.11	409.81	15,992
1955 average	425.69	345.89	374.00	8,351
1956: January	431.60	420.14	426.40	14,886
February (1-16) ..	430.64	422.50	426.46	11,709

Source : *The Oriental Economist*.

Favorites Down :—The latest price movement of favorite industrials well bespeaks the predominance of evening-up operations as a major factor for the current market standstill. As shown in Table 2, the Dow-Jones average of the 225 pivots dipped 2.10% during the period from January 19 to February 15. A closer scrutiny, however, shows that the slip was far sharper than the average loss for the favorite in-

dustrials which had made particularly notable gains in the July-January upsurge. Thus, shippings lost 7.20%, mining dipped 6.10% and fisheries skidded 7.72% principally due to profit-taking operations. Other industrials also slipped, but to lesser extents. Railways-transportation alone climbed 5.76% during the period under review chiefly on the spur of active bullish operations directed towards Keisei Dentetsu shares for a limited period.

2. SHARE PRICE MOVEMENT BY GROUP

Groups	(In Yen)			
	1955 Dec. 1	1956 Jan. 14	Gains or Losses	Increase Rate (%)
Averages of 225 Pivots	431.60	422.50	9.10	2.10
Banking, Insurance	592.59	584.13	8.46	1.42
Rly., Transportation	267.47	282.90	15.43	5.76
Shipping	235.28	218.33	16.95	7.20
Gas, Electricity	187.61	185.95	1.66	0.88
Mining	369.02	345.83	23.15	6.00
Shipbuilding, Machinery ..	194.06	189.07	4.99	2.46
Iron-Steel, Metals	96.73	92.52	4.22	4.46
Textiles	530.94	521.50	9.44	1.77
Foodstuffs	942.25	925.78	16.47	1.74
Fisheries	174.83	160.33	13.50	7.72
Chemicals	355.19	347.73	7.46	2.10
Miscellaneous	464.17	458.61	5.56	1.19
Commerce	785.97	777.40	8.57	1.09
Amusements	388.04	369.86	18.18	4.68

Source : *The Oriental Economist*.

Alien Shares :—Opinion is widely divided on the extension of the restrictions on the yen purchase of outstanding shares in Japanese enterprises by foreigners (due to expire at the end of October, this year in accordance with the provisions of the protocol of the Japan-U.S. Treaty of Friendship, Commerce and Navigation). Keidanren (Federation of Economic Organizations) is opposed to the removal of the restrictions while the Japan Chamber of Commerce and Industry apparently considers it unnecessary to continue such restrictions. The consensus of securities merchants as a whole supports the latter view on the ground that foreigners are not likely to buy up Japanese shares in an attempt to control specified enterprises. With securities experts not particularly worried about the prospect of alien purchases of Japanese shares, the market has not been much attentive to the problem. Hence, in whatever form the current problem be solved, no particular repercussions on the Japanese stock market appear likely. Meanwhile, Mr. Frank A. Waring, Counsellor of the U.S. Embassy, on February 21 visited Minister of International Trade and Commerce Tanzan Ishibashi and asked for the abolition of the restrictions on alien purchases of Japanese shares as of October as provided for in the said Japan-U.S. Treaty of Friendship, Commerce and Navigation.

Money Slackening at High Pitch

MONEY grew unexpectedly easy last year and the money rate declined at a fast pace apparently under the increasing impact of export animation and a bumper rice crop. This tendency, destined to continue into this year at a speedier tempo, threatens to give rise to many and various knotty problems surrounding the money rate slip including, above all, the inevitable need for rationalization of monetary institutions.

It has been an accepted economic law that the monetary world is bound to bear the last brunt of economic fluctuations and this iron rule is holding true in the economic transitions taking place since 1955. In the first half last year, the Ministry of Finance and the Bank of Japan took every opportunity to urge private monetary organizations to strive for the "normalization" of monetary operations based on the lowering of money rates. This drive, however, encountered stiff resistance from civilian quarters. From about the beginning of the second half, however, money began to become extremely slack and the money rates started to slip step by step with bankers left dumbfounded. With two months elapsed since the turn of the year, this phenomena is still conspicuously evident and appears to develop into a prelude to a fundamental reorganization of Japan's monetary structure. Needless to explain, Japanese monetary institutions have been mollycoddled for years after the war's termination. For instance, key industries, almost without exception, were subjected to a drastic operation under the name of decentralization of economic power, but banking alone was let to remain aloof from this revolutionary measure. It is true that the Teikoku Bank was dissolved to give birth to the Mitsui Bank and the Dai-Ichi Bank, but the action was autonomous and rather spontaneous. The sudden stoppage of wartime compensation, a big blow to all key industries, too did little damage to monetary institutions as the latter managed to minimize the loss through the blockade of deposits. They were also able to cover the rising cost of deposits with the expansion of operating assets and by elevating interest on loans granted. Such a discriminate advantage, however, was not totally unjustifiable, as monetary institutions comprise a vital pivot of the capitalistic economic system and their role was particularly important in a peculiar state of the postwar economy suffering from the shortage of funds. On the other hand, the postwar readjustment of monetary institutions was correspondingly belated and many serious problems have been left unsolved. Hence, they are bound to face a crucial test this year.

The slackening of money and the slip of the money rates were largely attributable to the effect

of the steady permeation of the deflationary policy in operation since the autumn of 1953. The nearest example is the balance of Bank of Japan loans to city banks which, standing at ¥406,200 million at the end of August, 1954, dwindled by ¥162,900 million to ¥243,300 million at the end of the same year. By the end of January, 1955, the Kyowa Bank completely paid back its debts to the Bank of Japan, thus emerging as the first city bank entirely free from the aid from the central bank. (The second city bank to follow suit was the Tokai Bank whose debts from the Bank of Japan were completely repaid on January 9, 1956). This stunt by the two small city banks has driven other city banks into an energetic race for reducing debts from the Bank of Japan. Some circles held that the slackness of money since the autumn of 1954 was largely attributable to bulky governmental payments for quota rice deliveries, and yet they did not consider that this seasonal factor did ever constitute a prelude to the easy money situation which ensued. City banks, too, did not take any positive attitude towards the lowering of money rates. It was under these circumstances that Finance Minister Hisato Ichimada (in the second Hatoyama Cabinet) on March 7, 1955 requested the representatives of city banks to take some concrete steps for reducing money rates. The city banks accordingly announced on May 23 the autonomous lowering of the money rate (for loans against ordinary bills and discounting) by 1 rin or 0.1 sen (sen=0.01 yen) per diem per ¥100, effective as of June 10. Money continued easier in the interim and debentures began to be actively consumed. At the request of the Bank of Japan, the issue commission of industrial debentures was reduced as from April 1 (1955) and the yield for issuers dropped by 0.1 rin per diem (2.93 sen per diem for power debentures and 3.04 sen for other debentures). The Industrial Bank of Japan also followed suit by lowering the rate for long-term equipment loans to the "Big 3" steel firms by 0.2 sen to 2.9 sen per diem. Securities merchants, on their part, also cut the operating fee of discounted financial debentures from 0.5 sen to 0.33 sen per diem, an action well reflective of the fast-changing monetary situation.

Thus, the money rates continued to decline in rapid succession. The lowering of money rates for short-term loans spurred the similar cut in money rates for long-term loans and in turn forced the revision of issue conditions of corporate debentures. Repercussions were wide-ranged. City banks began a fierce race for finding borrowers and a "buyer's market" dominated in the stock, money and bond markets. The notable change in monetary operations was chiefly due to the remarkable slackening of

money resulting from an excess of governmental financial payments. As shown in Table 1, the payment excess of financial funds during 1955 totalled ¥288,700 million, more than ¥200,000 million larger than 1954's ¥84,100 million and in sharp contrast with the withdrawal excess of ¥12,300 million in 1953.

The payment excess in 1955 resulted principally from the "overpayments" in the Foreign Exchange and Food Control Accounts which accounted for the combined Treasury-to-Public balance of ¥240,000 million or more than 80 percent of the total payment excess for the year. The favorable turn of the balance of international accounts and larger governmental food purchases were the reasons.

1. FINANCIAL FUNDS & BANK OF JAPAN ACCOUNT (In ¥100 million)

	1955	1954
Financial Funds	2,887	841
Foreign exchange account	1,669	*458
Food control account	760	339
Bank of Japan credit	*2,414	*651
Loans granted	*2,114	*554
Sales operation	*301	* 97
Note issue	518	* 78

Notes: * Excess of withdrawals or decreases.

Source: Compiled by *The Oriental Economist*.

The continuance of payment excesses over the two years, 1954 through 1955, with the latter year registering especially a large balance from the Treasury to the public, noticeably drove the masses into a saving mood which was already high under the deflationary policy. Thus, the increase of deposits with all monetary institutions were larger every month in 1955 as compared with the equivalent in 1954 except the months of January and October. The all-year deposit gain in 1955 totalled ¥950,000 million, some 30.0 percent higher than the hike of ¥730,000 million during 1954.

Loans granted, on the other hand, were comparatively depressed. For instance (as shown in Table 2), the increase of deposits in the account of all banks in 1955 more than doubled the hike in 1954. The gain of real deposits (total deposits minus bills, cheques and foreign currency deposits) also eclipsed the equivalent in 1954 by ¥210,000 million or about 70.0 percent. Loans granted in 1955, on the contrary, increased by only ¥40,000 million over 1954, some ¥220,000 million smaller than the real deposits increase. Under the circumstances, notably more ready cash was placed at the disposal of city banks and their debts from the Bank of Japan decreased by ¥203,200 million during 1955 as compared with the far smaller drop of ¥56,200 million in 1954.

2. INCREASES OF DEPOSITS & LOANS OF ALL BANKS (¥100 million)

	1955	1954
Total deposits	6,866	3,291
Real deposits (A).....	5,096	2,949
Loans granted (B)	2,838	2,407
(A) minus (B)	2,248	542

Source: Compiled by *The Oriental Economist*.

In the meantime, production in calendar 1955 (inclusive of mining and manufacturing) increased by 7.7 percent over 1954 (as surveyed by the Economic Planning Board) and exports rose by 23.4 percent (as surveyed by the Customs Division of the Finance Ministry). In contrast, demands for funds were extremely lethargic presumably for the following reasons: 1) a comfortable surplus of equipment and labor in the majority of key industries; 2) the lingering impact of deflation and small profit yields despite rising sales; and 3) uncertain prospects. It was due to such deterrents that the expansion of equipment and the increase of personnel were restricted as much as possible and raw materials purchases were braked. The direct illustration is the volume of imports during calendar 1955 which, even taking into consideration the specific factor—a drop of food purchases, registered a marginal increase of only 3.2 percent (\$77,000,000) as compared with the 1954 importings.

Loans granted by the Bank of Japan kept on dwindling steadily after they fell below the ¥200,000 million mark in July, 1955. By the end of that year, they were dwarfed to only ¥31,900 million, a record low since June, 1946 and ¥210,000 million less than the balance of ¥243,300 million as of the end of 1954. As of the end of 1954, 42 city and provincial banks throughout the country were indebted to the Bank of Japan, but by the end of 1955, the number decreased to only 16. Particularly noteworthy was the "liberation" of provincial banks. At the time the year of 1954 closed, 22 provincial banks were in debt with the Bank of Japan, but the end of 1955 saw all of them without any heavy debts from the central bank. The debts of city banks from the Bank of Japan also decreased from ¥210,000 million as of the end of 1954 to ¥29,000 million by the close of 1955, although some of them managed to repay the debts with the help of quarters other than the creditor bank. Hence, their external debts still remained high at ¥150,000 million as at the end of 1955 as compared with ¥281,800 million a year ago.

For all the minor exceptions, the payment excess of financial funds resulted in a step forward towards the so-called monetary normalization. Bank deposits increased and enabled city and provincial banks to repay debts to the Bank of Japan. The volume of currency in circulation did not swell much. "Quiet boom" and "economic expansion without inflation" have ensued. The monthly average note issue of the Bank of Japan has been in excess of the equivalent a year ago since July, 1955, but the gain has not been particularly alarming. In January this year, the balance was only 3.0 percent up over a year ago, an insignificant increase considering the speedy and bulky expansion of production and national income.

Against the background of such monetary transitions since early 1955, the money rates continued to sag without a break and at a terrific tempo through-

out the year. In order to cope with the situation, the Ministry of Finance is reported planning to announce a new downward revision of issue conditions of corporate debentures but it appears that leading issues are likely to revise issue terms spontaneously in advance of the Ministerial step. The reason is that, with the issue terms of such debentures left intact, more financially-stable corporation will come to prefer loans from banks (as banks are eager to find borrowers) to debenture flotations. Dependable debentures, hence, will become extremely short on the market.

Money rates, on the other hand, are due to undergo stormy sailing. The rates for long-term loans, already lowered in January, are likely to follow a crablike course for some time to come, but those for short-term loans are certain to slip further. Banks have become increasingly eager to find dependable borrowers and to that end have been offering a rate lower than 2.0 sen. Thus, the highest rates for preferred loans may remain unchanged, but the lowest limits are certain to drive further down, and the average rates are due to drop steadily. The develop-

ment in this direction appears inevitable as loans by the Bank of Japan have begun to taper off and its sale operations of government notes already absorbed some ¥70,000 million worth of funds (at a peak) in January, and this state of affairs is destined to remain unchanged for some time to come.

Another noteworthy step in the movement of money rates in 1955 was the revision of the Bank of Japan money rates enforced as of August 10. Through that revision, the standard discount rate for commercial bills was elevated from 1.6 sen to 2.0 sen seemingly in an attempt to normalize the money rate system which proved particularly unreasonable in the application of the second maximum rate. From that time, however, the loans granted by the Bank of Japan have been rapidly decreasing and the effective money rate for loans by that bank slipped to the 1.1 sen level by the end of 1955. The development has given rise to the consensus in financial circles that the official money rate should be lowered at this juncture so as to leave room for a future boost for a new monetary regulation whenever money has grown tight again.

Money Rate Levels

THE problem of money rates was comparatively neglected during the war and remained so for several years even after the war. Throughout the war years, direct monetary control measures were strongly propelled and money rates continued nailed to a low position under the impact of a policy favoring low-interest-bearing government bonds. Hence, the primary function of money rates to tend upward to guard against future risks under uncertain economic conditions was entirely lost. In the flurry of runaway inflation for a few years after the war, profits due to constant price advances preceded all other considerations. Even after the exit of the postwar inflation period, money rates continued to stand at extraordinarily high levels because of an absolute shortage of funds. It was only from about the autumn of 1953 when a deflation policy enforced by the Yoshida Cabinet began to boost savings and dwarf the demands for funds and thus compelled a fundamental change in the balance of fund supplies and demands that money rates started to slip. This tendency of money rates to tend downward through the steady progress of "monetary normalization" served not only to lighten the interest payment burden on the part of debtors but also to stimulate economic operations in general in the form of the advance of securities prices due to the revision of interest yields or a fresh stimulus to investments. It was under such circumstances that the problem of the money rate structure as a whole (not that of individual money rates) and the problem of possible economic effects

likely to result from a revision of money rates came into the limelight. This article deals with this overall problem of money rate levels as a keynote of all accessory money rate issues.

First, let us take stock of the postwar fluctuations of money rates in this country after the war. During a few years directly following the war, money rate levels kept on mounting under the impetus of runaway inflation. Especially notable was the advance of city money rates as debtors became inclined to disregard the high interest rates in anticipation of the depreciation of principal borrowed in the period of growing inflation. From about 1949 when the "Dodge policy" was adopted, however, the currency value began to show signs of stabilizing and money rates were lowered successively. During the period from August, 1949 to November, 1950, five money rate curtailments were enforced by commercial banks for their ordinary loans with the result that the rate dropped from 10.22 percent per annum to 9.13 percent. This tendency, however, came to an early close due to the outbreak of the Korean War, and money rate raises came immediately in its wake on three occasions, in January, May and September, 1951. The scope of high money rate applications by the Bank of Japan was strengthened, followed by the elevation of the official rates by the same bank in October, 1951. The interest rate of postal savings was also raised in April, 1952 to keep pace with the high money rate tendency. With the end of the Korean War boom in 1952, the need of lowering money rates began to

be discussed and the rates for ordinary loans were cut in October, 1952.

Meanwhile, the "tight money" policy adopted by the Government from October, 1953 substantially raised the position of Bank of Japan money rates for loans to city banks, as shown in Table 1 indicating average interest and discount rates as taken from the "Bank of Japan Business Report." According to this table, the average effective money rate of the Bank of Japan for loans and discounts rose from 6.41 percent during the first half of 1953 to 7.12 percent in the second half and soared further to 8.01 percent for the second half of 1954. By this process, the increase of loans extended by city banks (based principally on Bank of Japan loans to city banks) was considerably checked and the effective application of the deflationist policy was markedly aided. On the other hand, money rates of city banks were kept unchanged, at least officially, in view of the already heavy burden of interest payments shouldered by various enterprises heavy in debts. In reality, however, the actual interest burden grew aggrandized as such enterprises were compelled to accept additional terms imposed by city banks informally, such as the depositing of part of loans with creditor banks (applicable also in the case of discounting), conditional deposits, accommodations with strings attached or "black-market" call rates. Consequently, real money rates rose, although no concrete figures are directly available from industrial or other published statistics.

The progress of "monetary normalization" on the spur of active export trade, however, began to affect interest rates and the tendency towards lower rates became generalized with the curtailment of call rates and city rates in June, 1955 as an ice-breaker. Steady alleviation of the fund supply-demand stringency and the intensified competition among banks further quickened the dropping tempo of real money rates to the gradual disappearance of unfavorable terms such as conditional deposits.

Under no circumstances, the height of money rates is to remain stationary. Theoretically speaking, the level of money rates for loans determined through the proper functioning of the free monetary market, that is, the level of money rates to fluctuate on the basis of fund supplies and demands, stands, in between

the profit rates of enterprises as the upper limit and the costs of funds raised as the lower limit. This definition is purely theoretical, as the level in question may rise above the upper limit or fall below the lower limit in actual movements according to circumstances. In attempting to grasp actually the level of money rates thus theoretically formulated, however, many different yardsticks are generally used. For instance, the money rates in Japan are generally said to be "high." In analyzing the reasons to justify this criticism, three yardsticks are usually applied.

First, the present money rates are high as compared with those in prewar "normal" years (say, 1930-31). As noted in Table 2, the current money rates, inclusive of Bank of Japan official rates, city rates and discount rates but exclusive of the low rate of government bond interest yields (which is one of few relics of the wartime low money rate policy), almost equal the high levels as of the closing years of the Meiji era (1868-1912).

Second, the present bank rates are comparatively higher than the other interest rates in this country. As shown in Table 4, however, the indices of the interest yields of financial and industrial bonds and stocks as of October, 1955 stood well above 130 on the basis of 100 for the 1931 averages while the city bank rate failed to reach the 130 mark. At least as far as the above indices are concerned, therefore, the bank rates for loans are not particularly high as compared with interest rates in other fields.

Third, some circles hold that the money rates themselves are not particularly high but that interest payments by debtor enterprises are generally huge. In other words, the state of "over-borrowing" on the part of enterprises apparently gives a general impression that the money rates are high. (Before the war, capital depended on owned capital to the extent of 60 percent and borrowed capital to 40 percent; after the war, this ratio was reversed). Hence, the amount of interest payments from enterprises to banks and other monetary institutions has risen to a bulky total despite the low money rates and consequently the portion of interest payments in the list of production or business costs has increased sharply. This view has been repeatedly stressed by

1. BANK OF JAPAN'S AVERAGE EFFECTIVE MONEY RATES FOR LOANS

Terms	*Discounting income (A)*	Average balances of discounted bills (B)*	Average discount rates 2A** B	Interest from loans (C)*	Average balances of loans (D)*	Average money rates for loans 2C D**	Average money rates for loans and discounts (E)**	Average money rates of com. banks for loans (F)**	Spreads (F minus E)**
1950 1st half	1,257	48,051	5.23	2,418	84,875	5.70	5.53	9.11	3.58
2nd half	1,214	46,630	5.21	2,382	77,934	6.11	5.78	9.02	3.24
1951 1st half	1,255	47,781	5.26	4,806	135,095	7.12	6.63	9.13	2.50
2nd half	2,181	73,686	5.92	6,286	156,687	8.02	7.35	9.30	2.77
1952 1st half	4,516	151,666	5.96	3,483	96,068	7.25	6.46	9.15	2.69
2nd half	5,264	178,001	5.92	2,542	72,290	7.04	6.24	8.96	2.72
1953 1st half	5,741	193,040	5.95	4,053	112,765	7.19	6.41	8.89	2.48
2nd half	5,038	170,210	5.92	7,397	179,257	8.25	7.12	8.74	1.62
1954 1st half	1,945	64,857	6.00	13,299	320,980	8.29	7.90	8.82	0.92
2nd half	1,533	51,429	5.96	9,844	232,794	8.46	8.01	8.75	0.74
1955 1st half	1,464	47,680	6.14	5,160	134,833	7.65	7.26	(A) 8.79	(A) 1.53

Notes: (A).....All banks; *in million yen; **%: E=2 (A+C)/(B+D). Compiled by The Oriental Economist.

enterprisers. Fourth, Japanese money rates are compared with international equivalents, and clearly the former rates are higher. For instance, the discount rate of the Central Bank in Japan stands at 7.3 percent while that in the United States, even after the elevation in November, 1955 is still as low as 2.5 percent. It stands at 3.5 percent in West Germany, 3.0 percent in France and 4.5 percent even in Britain. The same holds true with city money rates. The discount rate for prime bills stands at 2.33 percent and the money rate for short-term industrial loans at 3.30 percent in the United States. In Britain, too, the discount rate for prime commercial bills (three-month sight) stood at 4.75 percent (as of August, 1955) while it is still as high as 8.4 percent even after the 1.0 rin (0.1 sen) cut of the interest rate per diem (per ¥100) on June 10, 1955. Such gaps are largely attributable to the differences in the degrees of capital accumulation and monetary structures in various countries, but, none the less, it is quite problematic that the gaps have widened after the war. Thus, the situation naturally changes when different yardsticks are used, and the same definition is not applicable. In this article, however, a study is made of the money rates as a whole, that is, the levels of money rates as set through the normal functioning of the money market.

Such overall money rates, however, are not easily realizable in the money market because of the existence of various restrictions imposed upon money rates which prevent the application of natural and unmolested interest rates. In Japan, such restrictions are imposed under the provisions of legal regulations and money rates agreements. Before the war, legal restrictions on money rates were based on the Interest Restriction Law (promulgated as Cabinet Ordinance No. 66 dated September 11, 1877 and Law No. 11, 1898). This interest restriction law, how-

ever, was applied only to private money loans as a social policy measure. Hence, it may be said that money rate regulations since the early part of the Meiji era depended solely on various money rate agreements concluded autonomously among monetary institutions. For the control of interest rates for deposits, member banks of the Osaka Bankers' Club concluded an agreement in June, 1901, and commercial banks in Tokyo followed suit in July, 1902. In those days, however, the participation in such agreements were entirely voluntary and no punishments were inflicted upon violators, and no satisfactory results were obtained in a fierce race for deposits by banks.

Later, the competition for deposits grew so intense that some preventive measure became necessary in order to guarantee the sound management of banking operations. In view of the situation, the Bank of Japan recommended the conclusion of a new money rate agreement among banks in December, 1918 and a full-fledged money rate agreement for deposits with punitive provisions came into being, and this agreement continued to remain in force for about 30 years. Agreements on loans came far behind those on deposits. An agreement on commercial bill discounting and call loans were concluded in August, 1950, on overdrawn accounts in April, 1952 and on loans in May, 1946. Such agreements, however, were not written regulations with punitive provisions but non-restrictive gentlemen's agreement among leading banks. Later, as the Pacific War got intensified, the Government began to enforce a low money rate policy in order to have bulky government bonds consumed.

In the spiral of runaway inflation after the war, the money rates for loans suddenly soared. In view of the impossibility of checking the money rate upsurge by means of the existing agreements, the

2. MONEY RATE LEVELS
(In % per annum)

Years	Bank of Japan Official Rates		Com. Bank Money Rates			Call rate (overnight)	Govt. bond yields	Ind. Deben- ture yields
	Com. bill discounting	Loans agst. govt. bonds	*Loans	Bill discounted	**Time deposits			
1882	9.49	10.00	10.11	9.16	7.6	—	—	—
1887	5.48	5.51	9.05	9.09	4.7	—	—	—
1892	5.84	6.02	8.36	8.32	4.4	—	—	—
1897	8.03	9.13	10.18	10.33	6.3	—	—	—
1902	6.21	6.94	10.33	9.75	6.0	—	5.22	—
1907	7.30	7.30	8.58	7.92	5.0	—	6.55	—
1912	6.57	6.57	7.85	7.26	6.0	—	8.39	—
1916	5.84	5.84	7.34	5.73	5.5	—	5.28	—
1921	8.03	8.03	9.86	9.02	5.2	—	5.26	—
1926	6.57	6.57	9.45	8.87	6.0	—	6.12	—
1930	5.11	5.48	7.99	6.68	4.5	3.58	6.23	7.77
1936	8.29	3.65	6.72	5.37	3.3	2.76	5.50	6.36
1940	8.29	3.29	5.95	4.56	3.4	2.60	3.71	4.38
1946	3.65	4.02	4.75	5.40	3.3	..	3.69	4.31
1950	5.11	5.48	10.26	9.38	4.4	3.65	5.50	4.88
1953	5.84	6.21	10.44	8.76	5.0	3.65	7.22	8.95
1954	5.84	6.21	10.22	8.76	5.0	3.65	6.32	8.98
1955	7.30	7.67	10.22	8.40	5.0	3.65	6.33	9.05

Notes: *Loans against securities; **six-month time deposits; 1930 figures are those for October; Tokyo Banking Association figures for bank loans and discounting; Loans are against securities alone in and after 1916; Govt. bond yields are simple arithmetic averages computed by The Oriental Economist on the basis of yields of various government bonds. Compiled by The Oriental Economist.

maximum limit of money rates for loans was fixed at 8.4 percent in July, 1947 in an agreement similar in nature to that fixing the interest rates for deposits. This agreement, however, was suspected of violation of the Anti-Monopoly Law, and subjected to the scrutiny of the Fair Trade Commission in October, 1947. On December 22 of the same year, the commission gave the verdict ordering the agreement abolished. The contracting banks made a strong protest on the grounds that the agreement was simply a self-disciplinary measure against soaring money rates and did not therefore amount to an unfair restriction on banking transactions, but the Fair Trade Commission stood firm on its verdict. In place of the agreement, the Emergency Money Rates Adjustment Law was promulgated on December 13, 1947, to be effective as from December 15. The noteworthy feature of the new law was that it placed the right of decision on money rates under the tripartite competence of the Minister of Finance, the Policy Board of the Bank of Japan and the Money Rates Adjustment Council. In other words, the law required the Minister of Finance to order the Bank of Japan Policy Board to decide on money rates without making direct decision himself, and the Policy Board, in turn, was required to consult the Money Rates Adjustment Council (originally, the Money Rates Adjustment Committee) in order to sound views of non-government circles. Such restrictions on money rates hampered the smooth realization of free and natural money rates. First, deci-

sions on money rates were not unified. Official rates of the Bank of Japan were decided by the Bank of Japan Policy Board while city rates were left to the decision of the same board but after consultation with the Money Rates Adjustment Council. Interest rates for postal savings deposits had to be approved by the Diet under the provisions of the Postal Savings Law and the terms of corporate debentures were left legally unrestricted, being subject to agreement of the Bond Raising Roundtable Conference. Among those different interest rates, however, any organic interrelations were absent as each moved separately except for the official rates of the Bank of Japan which alone influenced other rates. In short, all money rates were decided separately under different legal restrictions.

Second, the Emergency Money Rates Adjustment Law was so drafted as to decide the maximum money rates for deposits as well as loans. This was entirely in opposition to the prewar practices in which money rate agreements by banks fixed the maximum level for deposits and the minimum level for loans. Whereas the prewar agreements aimed at preventing unreasonable competitions among banks, the present formula carries a strong color as a link of the price stabilization policy adopted to combat the postwar inflationary spiral. This is creating the uniformity of money rates, obstructing the free movements of funds.

Third, the existing formula of money rate restrictions is markedly inclined towards giving special

3. COSTS OF DEPOSITS, YIELDS FROM DEPOSITS, OPERATION & PROFIT MARGINS
(% per annum)

Commercial Banks

Terms	Average interest rates for deposits (A)	Operating expense rates (B)	Costs of deposits (C=A+B)	Average yields from loans (D)	Profit margins (D-C)	Average yields from securities	Average interest rates for deposits (E)	Operating expense rates (F)	Cost of deposits (G=F+F)	Average yields from loans (H)	Profit margins (H-G)
1932 1st half	3.870	1.453	5.323	5.780	0.457	6.058	3.970	1.813	5.783	6.150	0.367
2nd half	3.842	1.479	5.321	5.537	0.216	6.015	3.938	1.845	5.783	5.946	0.163
1935 1st half	3.069	1.268	4.337	4.783	0.446	4.855	3.161	1.531	4.692	5.327	0.635
2nd half	3.116	1.251	4.367	4.819	0.452	4.747	3.206	1.514	4.720	5.368	0.648
1941 1st half	2.484	0.890	3.374	4.358	0.984	4.005	2.522	1.081	3.603	4.690	1.087
2nd half	2.513	0.926	3.439	4.463	1.024	3.994	2.526	1.088	3.614	4.753	1.139
1945 1st half	2.416	0.659	3.075	4.015	0.940	3.676	2.510	0.651	3.161	4.009	0.848
2nd half	2.187	0.715	2.902	3.516	0.614	3.515	2.355	0.642	2.997	3.281	0.284
1946 1st half	2.151	1.019	3.170	2.938	↔ 0.237	3.208	2.252	0.912	3.164	2.711	↔ 0.453
2nd half	1.688	1.805	3.493	5.295	1.802	2.810	1.916	1.377	3.293	5.658	2.365
1947 1st half	1.594	3.294	4.888	6.802	1.914	3.751	1.876	2.818	4.694	7.193	2.499
2nd half	1.635	3.999	5.634	8.069	2.433	3.383	1.862	3.815	5.677	8.105	2.428
1948 1st half	1.608	5.021	6.629	8.348	1.719	3.911	1.719	4.867	6.586	9.168	2.582
2nd half	1.758	5.645	7.403	9.301	1.898	4.111	1.951	5.411	7.362	9.883	2.521
1949 1st half	2.070	5.538	7.608	9.710	2.102	4.461	2.276	5.395	7.671	10.085	2.414
2nd half	2.305	5.239	7.544	9.509	1.965	4.830	2.453	5.109	7.562	9.553	1.991
1950 1st half	2.481	4.842	7.323	9.114	1.791	6.290	2.638	4.550	7.188	9.149	1.961
2nd half	2.485	4.618	7.103	9.022	1.919	6.921	2.800	4.514	7.314	9.142	1.828
1951 1st half	2.623	4.568	7.191	9.126	1.935	2.917	2.907	4.315	7.222	9.167	1.945
2nd half	2.976	4.476	7.452	9.303	1.851	8.055	3.689	4.220	7.409	9.389	1.980
1952 1st half	3.144	4.202	7.346	9.154	1.808	8.045	3.350	4.006	7.356	9.409	2.053
2nd half	3.188	3.888	7.076	8.955	1.879	7.988	3.412	3.690	7.102	9.232	2.130
1953 1st half	3.303	3.817	7.120	8.885	1.765	8.020	3.520	3.639	7.159	2.182	2.023
2nd half	3.011	3.669	6.680	8.740	2.060	7.863	3.381	3.581	6.962	9.112	2.150
1954 1st half	3.301	3.726	7.027	8.822	1.795	8.056	3.523	3.588	7.111	9.108	1.997
2nd half	3.304	3.450	6.754	8.752	1.998	7.509	3.581	3.487	7.068	9.023	1.955
1955 1st half	3.86	3.20	7.06	8.79	1.73	7.44	3.77	3.42	7.19	8.93	1.74

Notes: Commercial banks included 11 leading banks and provincial banks; Figures of commercial banks for the 1st half of 1955 represent national totals including bond issuing banks; Provincial banks are those minus syndicate banks for 1936 and minus leading banks for 1945-1947; Provincial banks for 1st half of 1955 follow different computation methods from those in preceding years in accounting. Compiled by The Oriental Economist.

considerations to the financial benefits of monetary institutions. The size of fund-raising costs, of course, carries a heavy weight among the factors for the decision of money rates. But the weight of pure money rates to be determined by the supply and demand of funds is comparatively neglected as a decisive factor for money rate levels. Under these conditions, money rates are liable to cease to be well-adjusted and the money rate level tends to become inflexible.

The advent of natural money rate levels has been considerably prevented by legal restrictions of money rates, and the efforts to grasp the positions of such natural levels are greatly handicapped by statistical discrepancies. This is particularly the case with a survey of money rates for loans. There are always comfortable gaps between such money rates even during the same periods according to different reference materials used. Such irregularities naturally lead to different conclusions in the surveys of regular or back spreads in the comparisons of city money rates and other interest rates and yields (for instance, interrelations with the Bank of Japan official rates) or the rates of profit yields and the marginal efficiencies of capital. Hence, it becomes necessary to clarify the differences in structures and restrictions which feature various money rate statistics.

For the surveys of money rates for loans in Japan, three kinds of statistical references are generally available. To the first group belong the

"Kinyu Jiko Sankoshō" (Monetary Reference Data) published by the Ministry of Finance and "Ginkōkyoku Tokei Nempo" (Statistical Annual of the Banking Bureau) also issued by the same Ministry. In these two publications, simple averages of city money rates are indicated without being properly weighed. Hence, they are placed at the points considerably higher than actual money rates in operation.

Statistical data compiled by the Tokyo Banking Association (the prewar Tokyo Bankers Club) comprise the second group. In these statistics, money rates stand at positions comfortably lower than those given in the two publications in the first group. These statistics are tasked with the job of reporting 1) Money rates for loans newly extended with those for continued loans excluded; 2) Money rates for ordinary loans to the exclusion of preferred bills of the Bank of Japan or other conditional accommodations such as those against deposits; and 3) Standard or representative money rates during the month surveyed, and not simple, arithmetic averages of various money rates. The trouble with these statistics, however, is that they are apt to carry subjective judgments and not properly weighed. The statistics under review dealing with the money rates for loans of Tokyo member banks are the oldest money rate survey in this country, being in existence since 1874. The *raison d'être* of the present statistics was questioned by the Money Rates Statistics Special

4. PREWAR AND POSTWAR MONEY RATES (1931 as 100)

Money Rates for Loans

Years	Bank of Japan				Call loans			City banks (Tokyo averages)		
	Com. bill discounting	Loans		Overdraft	Overnight	Unconditional	*) Securities	**) Bills	Bill discounting	Overdraft
			*Bonds	**Others						
1931	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1934	71.4	73.4	75.5	77.8	75.5	73.6	94.0	89.2	86.5	90.2
1947	71.4	73.4	75.0	77.8	86.1	114.2	73.6	104.9	110.6	94.7
1948	100.0	100.0	100.0	105.6	97.1	150.3	105.2	136.5	146.6	123.4
1949	100.0	100.0	100.0	105.6	107.7	189.8	129.7	147.3	156.2	134.2
1950	100.0	100.0	100.0	105.6	107.7	181.5	128.3	135.9	144.9	126.9
1951	114.3	113.3	112.5	116.7	107.7	202.0	132.5	133.7	142.6	126.3
1952	114.3	113.3	112.5	116.7	107.7	228.1	137.1	133.7	144.9	127.8
1953	114.3	113.3	112.5	116.7	107.7	207.4	134.4	129.0	134.8	131.8
1954	114.3	113.3	112.5	116.7	107.7	228.1	129.1	129.0	134.8	131.8
1955	142.9	140.0	137.5	127.9	107.7	186.6	129.7	123.6	129.2	131.8

Securities Yields

	Goyt. bonds	Local bonds	Financial debentures		Industrial debentures	Ordinary deposits	Call deposits, etc.	Time deposits (6-month)	Postal savings	Deposit costs
			(1)	(2)						
1931	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1934	79.5	76.7	74.1	64.8	73.7	85.5	87.7	88.1	71.4	85.8
1947	85.7	121.3	103.3	116.4	112.7	71.5	75.0	78.6	65.7	108.7
1948	106.9	162.7	109.0	147.2	170.5	71.5	75.0	100.0	65.7	142.8
1949	106.6	182.1	154.2	171.5	160.6	71.5	75.0	104.8	65.7	145.6
1950	106.2	151.0	146.5	148.3	143.4	71.5	75.0	104.8	65.7	137.0
1951	106.2	158.6	146.6	150.0	144.2	85.5	87.7	119.0	65.7	143.8
1952	106.2	153.5	146.6	150.0	144.6	85.5	87.7	119.0	94.3	136.5
1953	139.4	153.9	146.7	149.8	144.0	85.5	87.7	119.0	94.3	128.8
1954	122.1	154.0	146.6	149.9	145.0	85.5	87.7	119.0	94.3	133.0
1955	122.2	153.1	146.8	148.8	138.9	85.5	87.7	119.0	94.3	133.0

Notes: *Loans against govt. bonds; **Loans against securities other than govt. bonds; *) Loans against negotiable securities; **) Loans against bills; Financial debentures—(1) interest-bearing, (2) discounted; Postal savings deposits are of ordinary kind; Deposit costs are those for commercial banks. June, 1931 serves as 100, except for call loans which are based on the 1931 average and securities yields which are based on the average of 2nd half of 1931. For 1955, October serves as the basis for all items. Compiled by The Oriental Economist.

Committee (organized in February, 1952 by the statisticians belonging to the 23 member banks of the Federation of All Japan Banking Associations and the Tokyo Banking Association). The discontinuance of the publication was urged for the reason that the statistics were incorrect and that authentic statistics of money rates for loans has already been prepared by the Bank of Japan. The long tradition of the publication was respected, however, and it has survived.

The statistics compiled by the Examination Bureau of the Bank of Japan form the third group. This publication is not a survey of the highest, lowest and average money rates of various banks but gives effective money rates obtained by dividing the interest incomes from loans of correspondent banks in different periods by the average balances of loans at the end of such periods. Until the second half of 1947, the statistics under review were contained in the "Report on the Business Conditions of Correspondent Banks" and have since been included in the "Report on the Business Conditions of All Banks" published by the Examination Bureau. In recent months, they are also published in the "Economic Statistics of Japan" published by the Statistics Bureau of the Bank of Japan. These statistics are convenient as they show the lowest money rates with the correct weight of loans attached. Strictly speaking, they have some shortcomings that follow: 1) Average money rates for loans are not inclusive of all banks at the time of the compilation but are confined to those of correspondent banks of the Bank of Japan. For instance, there were 683 commercial banks in Japan at the close of the first half of 1931, but only 165 of them were the correspondent banks of the Bank of Japan. The all-inclusive money rate levels should have been higher than those given; 2) Even among the correspondent banks of the Bank of Japan, there were some notable differences between the money rates in the great urban area and those in the other area before the war. In Table 3, the money rates of provincial banks are particularly picked and separately given; 3) During the depression days before the war, a portion of interest payments were left unreceived and the interest income stood lower than the estimated agreed-interest income. Consequently, the average money rates for loans tended to be registered at points well lower than the agreed rates; and 4) Extremely low money rates such as those for loans against fixed deposits are included while the money rates of this kind are excluded from the statistics of Tokyo member banks classified under the second group. Hence, the money rates for loans are apt to be underestimated due to the kinds and amounts of securities.

In addition to the statistics belonging to the three groups under review, the Bank of Japan has been compiling since 1947 the statistics of the balances of loans classified by money rates, and has been pub-

lishing them in the "Monthly Report of Economic Statistics" of its Statistics Bureau. Although still new without comparative figures in old days, this is an epochal undertaking in money rate statistical surveys. Through the medium of the statistics under review, the computation of the average effective money rates for loans has been made possible.

5. DIFFERENCES OF BANK MONEY RATES FOR LOANS

(% per annum)

Years	*Com. banks	*Provincial banks	**Tokyo mem- ber banks	***All banks
1930	5.82	6.45	7.99	9.71
1935	4.82	5.37	7.05	8.10
1940	4.48	4.81	5.95	5.91
1945	3.52	3.28	4.56	4.38
1946	5.30	5.66	4.75	4.90
1947	8.07	8.11	5.80	7.19
1948	9.30	9.88	8.29	9.55
1949	9.51	9.55	10.22	10.10
1950	9.02	9.14	10.26	9.49
1951	9.30	9.39	10.48	9.49
1952	8.96	9.23	10.73	9.19
1953	8.74	9.11	10.44	8.97
1954	8.75	9.02	10.22	9.00
1955	* 8.79	* 8.93	10.22	..

Notes: *Average rates for loans; **Effective rates for loans;

***Average effective rates for loans of all banks in Japan. Commercial bank rates surveyed by the Bank of Japan; X in commercial bank column in 1955 represent all banks; in provincial bank column is to indicate that the figure is calculated on a different basis. Tokyo member bank rates are those for loans against bills; All banks surveyed by Bank of Japan and inclusive of all loans. Compiled by The Oriental Economist.

The All-Japan Mutual Banks Association is also compiling the statistics of the balances of loans classified by money rates at mutual banks, and is publishing them in the association organ "Mutual Banks."

The same statistics enumerated for the surveys of money rates for loans also carry the statistics on interest rates for deposits. However, the effective rates for deposits, different from those for loans, are equal to the agreed or legal rates. The average interest rates for deposits announced by the Examination Bureau of the Bank of Japan, like those for loans, are compiled by dividing the interest payments for deposits by the average balances of deposits and serve as the only statistics of interest rates for deposits with correct weights attached.

In the progress of deflation, the total amount of deposits begins to increase and the simple average levels of various money rates tend to drop. On the other hand, due to the expansion of the fixed or similar deposits in the total amount of deposits, the average interest rates for deposits are inclined to rise steadily.

JAPAN ECONOMIC YEAR BOOK

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Small and Medium-sized Business

AMONG the commercial and industrial nations of the world, Japan is distinguishable by the large number of businesses that are operated on a small scale. The reasons for this notable feature are, among other things, high density of population, relatively confined markets, shortage of capital, and inability to mass-produce on a grand scale. And, whereas in other countries it is usual to see whole series of production processes undertaken single-handed by large corporations, the normal pattern of manufacturing in Japan consists of small tributary suppliers working for assembly plants that are, as often as not, no bigger in size. Consequently, not only is it difficult to maintain consistent specifications and quality standards, but fair pricing becomes a serious problem. On the other hand, diversification of product is relatively easy, while widespread use of hand-production methods makes for fairly economical processing of items calling for manual dexterity.

As one logical outcome of defeat in war, the number of large business complexes was reduced, and on the whole there was a marked increase in entities operated on a minuscule scale. Only recently is it, with progress seen in economic rehabilitation, that some improvement has taken place in the situation.

Nevertheless, it is still a far cry from the prewar pattern of business.

According to manufacturing statistics, the configuration in recent years is as indicated by Table 1. Because only preliminary and summarized figures are as yet available for 1954, and they are not properly classified for comparison, the data for 1954 are given in a separate table. Manufacturing entities are presented ranked by size as judged by the number of employees regularly hired. It will be seen that more than half of the total consists of extremely small enterprises with less than three workers. Manufacturers of this category have been increasing annually; but because of the higher rate of gain indicated by the total number of manufacturing concerns the relative weight of these minimal operations went down in 1953 to 57.5 percent, as against the 57.8 percent of 1952. A further decline to 57.1 percent in 1954 is shown by Table 2. With manufacturing operations hiring more than four workers, the same tendency is discernible among the smaller entities employing between four and forty-nine workers (Cf. Table 1). Consequently, there has been a slight relative gain in the number of organizations of larger size.

1. MANUFACTURING ENTITIES SURVEY (1)

	Total	Less than 3 Employees		Number of Employees												
		Sub-total	Percent- age ag. Total	Sub-total	Percent- age ag. Total	4-49	50- 199	200- 299	300- 499	500- 999	1,000 & Over	Sub-total	Percent- age ag. Total	500 & Over	Sub-total	Percent- age ag. Total
No. & Percentage																
1950	Number	352,448	196,225	55.7	156,223	44.3	146,154	7,855	1,456	419	339	155,465	44.1	758	0.2	
	Percentage				100.0		93.6	5.0	0.9	0.3	0.2					
1951	Number	393,758	227,363	57.7	166,395	42.3	155,350	8,646	1,577	431	391	165,573	42.1	822	0.2	
	Percentage				100.0		93.4	5.2	0.9	0.3	0.2					
1952	Number	398,403	230,294	57.8	168,109	42.2	156,657	9,002	1,625	467	358	167,284	42.0	825	0.2	
	Percentage				100.0		93.1	5.4	1.0	0.2	0.2					
1953	Number	405,789	233,176	57.5	172,613	42.5	159,826	10,101	990	782	527	387	171,699	42.3	914	0.2
	Percentage				100.0		92.6	5.9	0.6	0.5	0.3	0.2				
By Industries																
Foodstuffs		88,213	59,139	67.0	29,074	33.0	27,981	946	68	48	24	7	29,043	32.9	31	0.1
Spinning		79,469	47,464	59.7	32,005	40.3	29,223	2,065	275	220	139	83	31,783	40.0	222	0.3
Clothes & Accessories		13,326	7,243	54.4	6,083	45.6	5,689	365	17	7	4	1	6,078	45.6	5	0
Lumber & Wood Products		52,581	29,752	56.6	22,829	43.4	22,319	497	6	5	1	1	22,827	43.4	2	0
Furniture		20,554	13,783	67.1	6,771	32.9	6,587	174	5	5	—	—	6,771	32.9	—	—
Paper		10,405	6,187	59.5	4,218	40.5	3,761	351	89	25	27	15	4,176	40.1	42	0.4
Printing & Publishing		11,341	3,946	34.8	7,395	65.2	6,774	516	43	23	23	16	7,356	64.9	39	0.3
Chemical Industries		9,066	3,789	41.8	5,277	58.2	4,468	527	95	75	51	61	8,165	57.0	112	1.2
Oil & Coal Products		1,062	346	32.6	716	67.4	618	76	5	8	8	1	707	66.6	9	0.8
Rubber Goods		1,215	411	33.8	804	66.2	529	187	36	31	14	7	783	64.4	21	1.8
Leather & Leather Goods		4,670	3,252	69.6	1,418	30.4	1,339	68	5	6	—	—	1,418	30.4	—	—
Glass & Ceramics		23,687	12,637	53.3	11,050	46.7	10,281	625	64	41	29	10	11,011	46.5	39	0.2
Primary Metal		6,486	1,068	16.5	5,418	83.5	4,609	570	65	66	49	59	5,310	81.9	108	1.6
Metal Products		24,470	13,764	56.2	10,706	43.8	10,038	581	39	36	9	3	10,694	43.7	12	1.0
Arms & Munitions		59	5	8.5	54	91.5	33	8	3	4	5	1	48	81.4	6	10.1
Machinery		17,763	6,233	35.1	11,530	64.9	10,277	1,013	86	73	55	26	11,449	64.5	81	0.4
Electric Machinery		5,520	1,465	26.5	4,055	73.5	3,385	513	44	37	44	32	3,979	72.1	76	1.4
Transportation Equipments		9,287	4,663	50.2	4,624	49.8	3,932	514	49	40	30	59	4,535	48.8	89	1.0
Precision Machinery		3,608	1,527	42.3	2,081	57.7	1,860	166	23	17	11	4	2,066	57.3	15	0.4
Others		23,007	16,502	71.7	6,505	28.3	6,123	339	23	15	4	1	6,500	28.3	5	0

Source: MITI for all the tables in the article.
Note: Figures are for 1953.

2. MANUFACTURING ENTITIES SURVEY (2)

Scale of Work Places	Number of Work Places	Percentage ag. Total	No. of Employees in 1,000	Percentage ag. Total	Production Value in ¥ Million	Percentage ag. Total	Added Value in ¥ Million	Percentage ag. Total
Total	430,444(405,789)	100.0(100.0)	5,285(5,180)	100.0(100.0)	6,247,832(5,877,267)	100.0(100.0)		
Less than 3 Employees ..	245,953(233,176)	57.1(57.5)	544(512)	10.3(9.9)	193,164(168,660)	3.1(2.9)		
Total	184,491(172,613)	42.9(42.5)	4,740(4,667)	89.7(90.1)	6,054,668(5,708,606)	96.9(97.1)	1,905,029(1,692,281)	100.0(100.0)
4-29 Employees ..	159,503(147,638)	37.1(36.4)	1,6781(1,564)	31.8(30.2)	1,225,128(1,079,242)	19.6(18.3)	365,491(293,103)	19.2(17.3)
30-299 ,,,	23,332(23,279)	5.4(5.7)	1,601(1,596)	30.3(30.8)	2,087,537(1,929,740)	33.4(32.8)	618,671(520,641)	32.5(30.8)
300-999 ,,,	1,282(1,309)	0.3(0.3)	651(663)	12.3(12.8)	1,258,518(1,209,812)	20.2(20.6)	390,614(374,264)	20.5(22.1)
1,000 & Over ..	374(387)	0.1(0.1)	808(843)	15.3(16.3)	1,483,481(1,489,812)	23.7(25.4)	530,249(504,270)	27.8(29.8)

Note: Figures are for 1954, while those in bracket are for 1953.

Table 1 also gives a breakdown by industrial classification. Those categories in which minimal operations with less than three workers take up more than 50 percent of the total number are: food processing, spinning and weaving, clothing and accessories, lumber and wood products, furniture and fittings, paper and similar products, hides and leather products, glass and ceramic products, metal products, and transportation equipment.

In other classifications, the four-to-forty-nine worker businesses make up more than 50 percent of the total number. It is of course wrong to assume that operations with fewer employees are generally inferior; where mechanization or automation are carried out to a high degree they can very well be the most efficient. But with things as they now are in Japan the general tendency is that the smaller operations are inferior to the bigger. This can be readily seen from Table 3, which gives "added value" and the average cash wage paid per worker per annum. In "added value" there is a marked difference between operations hiring between four and forty-nine workers and those employing more than 1,000. In 1951 the latter averaged 3 times the former; 2.6 times in 1952; and 2.9 times in 1953. Although there was considerable improvement among the small businesses in 1952, relatively greater progress was achieved by the bigger operations in 1953, with the small entities failing to gain appreciably. This is clear indication of rising financial strength and increasing monopolization of markets among the bigger enterprises.

3. YEARLY INCOME PER CAPITA

(A) ADDED VALUE (In ¥1,000)

	Total	4-49	50-199	200-999	1,000 & Over
1950	189,240	113,370	184,715	277,319	
1951	278,216	151,989	259,123	399,613	455,961
1952	302,923	176,088	295,231	450,811	460,308
1953	362,563	202,018	383,019	531,245	598,151

(B) CASH SALARY (In ¥1,000)

	Total	4-49	50-199	200-999	1,000 & Over
1950	88,254	57,306	88,104	123,378	
1951	110,241	70,690	105,985	141,117	170,805
1952	128,472	83,700	121,740	178,496	190,236
1953	142,782	95,105	133,661	179,877	227,061

(A)-(B)

	Total	4-49	50-199	200-999	1,000 & Over
1950	100,986	56,064	96,611	153,941	
1951	167,975	81,299	153,138	258,496	285,156
1952	174,451	92,383	173,491	272,315	270,072
1953	219,781	106,913	199,358	351,368	371,090

Because in this way there are greater "added value" productivity and less turnover of labor in the bigger businesses the result is considerable variance in wage levels. Table 3-B shows this difference; and it will be seen that on the average the operations hiring more than 1,000 workers are paying more than double what the small organizations with between four and forty-nine employees are offering: 2.4 times in 1951, 2.3 times in 1952, and 2.4 times in 1953. With the spread of unionization since the war a general decrease in wage variances throughout industry might be expected; but the fact remains that the spread is still big, particularly since organization of labor among the small businesses is laggard, and the difference between big and small enterprise is large.

Although material cost is not included in "added value," the wage is considered as a factor. When the earning power of small and big businesses is studied by figures approximating gross earnings, obtained by subtracting "B" from "A" in Table 3, it is found that the bigger operations with more than 1,000 employees were better than the four-to-forty-nine-worker entities by 3.5 times in 1951, 2.9 times in 1952, and 3.1 times in 1953. It goes without saying that this disparity in earning power is not directly related to the size of work force employed, neither can it be inferred that the manpower employed in the larger operations is better in skill or ability. It is obvious that the difference arises from availability of capital and equipment.

4. GROWTH OF MATERIAL ASSETS

Sales of Work Places	New Assets (%) (A)	Old Assets (%) (B)	(A)+(B) (%)
Total	100.0	100.0	
4-49 Employees	15.1	47.5	58
50-299 ,,,	20.0	26.7	77
300 & Over	64.9	25.8	92

Note: Figures are for 1954.

Table 4 shows the rates of gain, by size of operation, in tangible fixed assets in 1954. It will be seen that 64.9 percent of the acquisition of new assets was by entities employing more than 300 workers, and that only 15.1 percent of the total was bought by operations with from four to forty-nine employees. These latter actually acquired 47.5 percent of the second-hand equipment installed. In other words, the bigger businesses are buying new equipment and are selling their old to the smaller operations. This situation cannot be helped since there is a basic difference in financial strength; and recently

there have been recommendations made in connection with plans to promote further shift of old equipment from the bigger enterprises to the smaller by setting up a public corporation for this purpose.

It has been explained that the smaller businesses are generally inferior, in earning power and other respects, to the bigger operations. Nevertheless, they are numerically and functionally important from the standpoint of industry as a whole. For instance the railroad rolling stock industry depends upon a large number of subcontracting suppliers for essential parts. Some 77 percent of the parts are in fact

brought in from outside by the builders. In shipbuilding, 70 percent of the components are subcontracted, while the automotive industry is 62 percent dependent on parts suppliers. In many of the export industries, notably in the manufacture of sundry goods, the role of small and cottage-type industries is of no small significance, particularly where intricate and tedious handwork is involved. The high proficiency in hand workmanship, together with the fact that wage levels are in general lower than in other countries, is contributing in no small way toward promotion of Japan's export sales.

Defense Expansion

JAPAN was stripped of the remainder of her former military might when she laid down her arms in total defeat in 1945.

When the Korean War surprised the free world with new aggression, however, General MacArthur, then Supreme Commander for the Allied Powers, sent a message on July 8, 1950 to Prime Minister Yoshida, urging him to reinforce the existent police force so that it could effectively cope with any dangerous developments. As a result of this advice, the controversial bill creating a police reserve force was promulgated on August 10 of the same year. Seventy-five thousand men were publicly recruited for the new forces whose avowed duty it was to keep strict order within the country during the hectic days expected.

As the international situation grew more grave and the punshed empire regained its strength it became imperative, both in practical terms and for the sake of national prestige for Japan, to have a greater army of its own. This aim was achieved in May, 1952 when an additional 35,000 men were recruited for the expanding forces. Moreover, in April of the same year, a coast guard was established under the Transportation Ministry.

It was not until August, 1952, however, that a further decisive step toward greater defensive strength was finally taken. In that month the police reserve force and the coast guard were firmly united under the single banner of the newly created National Security Board, independent of all fettering red tape. At the same time, both the National Security Force and Maritime Safety Force—as the two organizations were re-named—were so organized that they could counter not only internal subversive activity but also aggression from outside.

In July, 1954, the two organizations again assumed new names and a new complexion—the Ground Self-Defense Force and the Maritime Self-Defense Force. Another sister organization, the Air Self-Defense Force, was newly added to the roster to bolster the increasing defense needs of the nation. In order to

coordinate activities and facilitate smooth operation of the three military arms, the Defense Board, an external organ to the Prime Minister's Office, was established in the same year.

As it was obvious that this level of strength was still grossly inadequate to keep invading armies at bay, the U.S.-Japan Security Agreements were concluded, giving the U.S. Garrison forces the right to remain in Japan in order to help its defense against possible foreign aggression. The treaty also provided that Japan gradually increase its own defense forces, making possible a gradual withdrawal of U.S. Forces from Japan. To further this aim American military authorities are providing large quantities of materials and equipment to the infant Japanese armies.

The table shows how the Japanese defense forces have gradually been strengthened. Not represented in the table are about 20,000 civilians actively engaged in defense work.

If military plans for fiscal 1956 (under a budget of some ¥115 billion) are duly carried out, the Japanese Defense Force will boast a strength of 197,000 men, 419 ships amounting to 99,908 tons, 127 coast guard planes, and 582 air defense force planes (168 of them suitable for combat duty).

The Ground Self-Defense Force is going to establish an additional mixed brigade and three more battalions, while the Maritime Self-Defense Force will be augmented with two 1,600 ton patrol boats, a 1,000 ton submarine and 7 other ships totaling 5,194 tons. The MSOF is also getting a 320-ton mine-sweeper, 29 small ships, 12 anti-submarine planes and 18 trainers from the United States as well as two large helicopters and 2 smaller ones from local producers.

GROWTH IN THE SELF-DEFENSE FORCE PERSONNEL

	Ground Self-Defense Force	Maritime Self-Defense Force	Air Self-Defense Force
1950.....	75,000 police reserve force		
1951.....	110,000 security force		10,323 coast guards
1954.....	130,000	15,803	6,287
1955.....	150,000	19,391	10,346
1956.....	160,000	22,716	14,434

Source: Compiled by *The Oriental Economist*.

The Air Self-Defense Force is scheduled to add 66 F86F jet fighters, 20 C46 transport planes and another 25 T6 trainers supplied by the United States, and 27 F86F jet fighters, 22 T34 trainers, 67 T33 jet trainers and 4 helicopters from Japanese defense plants. As for local jet plane production, the first plan has been under way since 1955 (70 F86F jet planes, 97 T33 jet trainers), while the second plan, calling for 110 F86F jet fighters and 83 T33 jet trainers, will soon be put into effect.

Thus, by March 1957, the Maritime Self-Defense Force will have 24 P2V anti-submarine planes, 16 PV2 anti-submarine planes, 12 S2F anti-submarine planes, 20 TBM anti-submarine planes, 8 PBY patrol seaplanes aeroboats and 40 other aircraft, while the Ground Self-Defense Force will have 135 F86F jet fighters, 28 C46 transport planes, 1 KAL communications plane, 4 S55 helicopters, 2 experimental planes and 412 trainers.

Also scheduled is the import of a guided missile (Elicon) from Switzerland, in 1956, while Japanese missile production is being planned.

What will the future defense structure be after the initial program? The Defense Board is now drafting a "6 Year Defense Plan". By 1960, according to the plan, the Ground Self-Defense Force will have 180,000 personnel, Maritime Self-Defense Force will own 124,000 tons of various ships and 180 planes and the Air Self-Defense Force will be equipped with 1,300 planes and a reserve force of 20,000. This is in addition to the 1956 figure of 20,000 recruits, 20,000 tons of ships, 53 planes for Maritime Self-Defense Force and 718 planes for Air Self-Defense Force.

Is this miniature army enough to defend the country? Admiral Arthur Radford, Chairman of the U.S. Joint Chiefs of Staff, said in a press conference in Japan on January 8, 1956, that, if Japan completes the "6 Year Defense Plan", it will be a great help to the collective security system, although Japan alone could not defend itself.

Besides the expenses for its own army, Japan is paying yen toward the support of U.S. Garrison Forces equivalent to 155 million dollars at the start and gradually diminishing as Japan spends increasing sums for her own defense. Japan also sets certain funds aside each year for the purpose of maintaining U.S. training staffs for the Japanese army.

On January 30, 1956, an agreement was reached by the joint committee concerning further cuts in the Japanese share of joint defense costs parallel with the increases in the spending for Japan's own military forces. According to the formula, starting from fiscal 1957, an amount equal to half of the annual increase in Japan's own defense expenditure will be deducted from the succeeding year's payments for U.S. forces support.

In fiscal 1956, the Defense Board expenditure will be ¥100.2 billion and the facilities expenses for the U.S. Garrison (including ¥750 millions for payments to U.S. advisory groups) will amount to ¥10.5 billion, while Japan's joint defense share for the year will amount to ¥30 billion. In order to eliminate Japan's entire share of joint expenses, the nation has to spend ¥60 billion more for her own defense.

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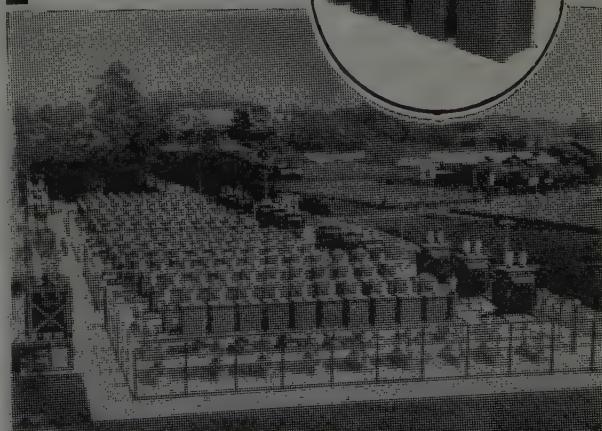
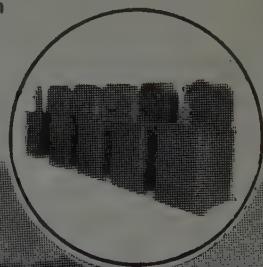
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Rising Living Standards of Workers

BECAUSE wages in general have gone up, it is certain that the working population in the past few years has come to find living conditions considerably easier than before. How much then can living standards be allowed to go up in all compatibility with the national economy? For a study of this problem an analysis of the recent movements of wages should be helpful.

In 1954, a year notable for the unequivocal efforts to induce disinflation, there occurred an appreciable slowdown in the general rise of pay. Gain in cash pay stood at but 7 percent over the level of 1953, as against the 16 percent advance seen in 1953. Needless to say the principal factors making for this level-off were such things as cutbacks in production activities and stricter controls for reduction of overtime. Nevertheless, it must be noted that there was a 7 percent gain despite the general disinflationary trend. This is quite the opposite of what took place at the time of the Great Depression, about a quarter of a century ago, when wages were cut by about 20 percent.

It goes without saying that the depression of the late twenties was of incomparably worse severity than the recession of recent years, and the sharp drop in prices provided reasonable grounds for cutbacks in pay. Another notable difference was that the power of organized labor did not exist before the war.

Although the wage level did rise nominally by some 7 percent in 1954, there was virtually no increase in real pay because consumer prices also increased by 6.4 percent over the 1953 level. This rise was caused mainly by the high price of both black-market and rationed rice as a result of the poor harvest of 1953, to the higher prices of newspapers, and to upward revision of radio subscription fees. Because of these circumstances, the gain in real pay in 1954 came to but 0.4 percent over the 1953 level.

1. GROSS CASH PAY PER MONTH PER WORKER (In yen)

Period	Amount	Gain Vs. Same Period of Preceding Year (%)
1953	16,741	16.0
1954	17,898	6.9
Jan. -Nov. 1955	17,401	4.7
Sept.-Nov. 1955	16,797	6.3

Note: Figures after May 1955 adjusted for changes in subject-matter of survey.

Source: "Monthly Labor Statistics" of Ministry of Labor.

The sluggishness in the rise of wages continued on into 1955 without indications of improvement. The nominal gain in wages for the January through April period of 1955 was but 3 percent over the level of the corresponding period of 1954. However, because of the recovery in business activity supported by the phenomenal export boom since 1954 the rate

of gain in wages also began to rise, and the nominal pay level for the September through November period of 1955 was 6.3 percent higher than that of the corresponding period of 1954.

Moreover, there was a slight decline in the consumer price level which hit the peak in mid-1954; and throughout 1955 there was little or no gain. Consequently the level of real pay in the September through November period of 1955 was up 8.4 percent over that of the corresponding period of 1954 (Cf. Table 2).

2. POSTWAR REAL BASE PAY INDEX FIGURES

Period	Index	Gain Vs. Same Period of Preceding Year (%)
1951	100.0	0
1952	114.9	14.9
1953	125.0	8.8
1954	125.5	0.8
Jan. -Nov. 1955	125.7	5.8
Sept.-Nov. 1955	122.3	8.4

Source: Ministry of Labor "Monthly Labor Statistics"

Real pay is now at a considerably higher level than before the war (base period, 1934-36, manufacturing only). The real pay index in 1954 stood at 108, and even when workers' income tax at 5.4 percent (practically nil in the past) is deducted the pre-war level of real pay is comfortably held. Because of the circumstances explained above, workers' real pay in recent months has come to be about 10 percent above the prewar level.

The recent gain in wage level when seen in relation to labor productivity (quotient of production index divided by employment index) shows some interesting facts. Table 3 indicates that in 1953 and 1954 the rise of productivity was greater than that of real pay. In other words better work is not being rewarded with correspondingly better pay. But in 1952 the situation was reversed. This was because as a result of the Korean War boom there was a sharp rise in the wage level, while with the level-off of production after the cease-fire there was an appreciable drop in output to just about enough to satisfy the investment requirements stimulated by the boom. Consequently, in that year, pay led productivity.

3. PRODUCTIVITY AND PAY

	Productivity Index	Comparison with Preceding Year	Real Pay Index	Comparison with Preceding Year
1951	100.0	—	100.0	—
1952	108.2	108.2	112.1	112.1
1953	128.7	118.9	119.3	106.4
1954	133.6	103.8	119.3	100.0
Oct. 1955	152.4	110.6	113.9	108.4
Nov. 1955	156.8	113.8	120.9	109.3

Note: Productivity is material productivity in manufacturing industries. Real pay of manufacturing industries only.

Source: Ministry of Labor.

From 1953, the gain in pay stimulated consumer demands, while industrial requirements also remained fairly high. This resulted in high output, but the

dwindling of foreign exchange reserves ultimately forced the nation to swallow the bitter pill of disinflation. Too big a bite had been taken.

Although productivity went down somewhat in 1954, the year of retrenchment and disinflation, at least in rate of gain, there was subsequent recovery, which was spurred on by the high prosperity in foreign markets. Although there occurred some gain in the pay level, this was not so large as that of productivity. For Japan which is backward in many respects, this situation probably is unavoidable; and the best approach appears to be to strive for accumulation of capital for multiplied returns in the future.

Although the recent recovery in business activity has been explained away by such terms as "quantitative boom" and increase of the pay level, there exist a number of specific problems. It will be seen from Table 4 for instance that while financing and insurance pay high wages at a level of from ¥23,000 to ¥24,000 per month, manufacturing averages only ¥15,000 or thereabouts.

There are more disparities. Within the manufacturing category itself, whereas primary metal products pay well over ¥20,000, clothing workers average somewhat over ¥8,000. The spread between these classifications is 61 percent. This appears excessive even when age, sex, length of service, and other factors are considered.

4. PAY BY INDUSTRIAL OR BUSINESS CLASSIFICATION

(In yen per month)

	Average for Jan. thru Nov. 1955	Comparison with same Period, 1954
All Industry	17,401	104.7%
Mining	17,726	106.5
Manufacturing	15,710	103.9
Primary Metals	21,660	103.3
Clothing	8,397	106.5
Merchandising	16,894	102.1
Banking	23,595	106.0
Transportation, Communication, Utilities	19,984	105.3

Source: Ministry of Labor "Monthly Labor Statistics."

The greatest disparities result from the size of operations. When the index base of 100 is taken for the bigger businesses employing not less than 500 workers, the pay given by businesses employing less than 99 comes to about 60. Moreover, work hours are longer with the small operations by from 7 to 8 percent, so the real disparity in pay is even greater.

5. DISPARITY IN WORKERS' PAY BY SIZE OF BUSINESS

(Index figures)

Employment (number of workers)	1950	1954	Jan.-Nov. 1954	Jan.-Nov. 1955
Over 500	100.0	100.0	100.0	100.0
100 to 499	84.2	77.6	78.0	74.9
30 to 99	67.3	59.9	61.1	60.5

Source: Ministry of Labor Survey of gross cash pay.

One reason for low wages among Japanese small businesses undoubtedly is low productivity. Another is that unlike the nations of the West where full employment has been about achieved, Japan has an army of semi-unemployed who are willing to work

for low pay. Yet another reason is that the smaller businesses are disproportionately burdened through the buying and payments practices of the larger.

The spring wage offensive of the labor organizations will in the main be waged against the bigger enterprises, and it is manifest that as a result the above disparities will become even more notable.

It is generally held that the pay of government employees is low. In so far as the Government and Public Workers' Union is planning to join private industrial workers in the forthcoming offensive, this matter of government pay should be looked into.

According to the Japan Federation of Employers Associations, the pay accorded to government and public workers is by no means low. Table 7 gives a comparison of private business and government pay, excluding all extras with the exception of overtime pay. It is certainly true that government workers receive somewhat less than workers employed by companies with payrolls of over 500 persons. But on the average, the government and public workers are higher by 12 percent than all industrial and business employees.

6. COMPARISON OF GOVERNMENT AND PRIVATE BUSINESS PAY

(In yen per month)

	Amount	Comparison (%)
Government & Public Workers	17,816	100.0
All-Industry Average	15,724	82.2
Average of Enterprises with more than 500 Employees	18,128	101.7
Notes: Only regular monthly pay (including overtime). As of July 1955.		

Source: Japan Federation of Employers Associations.

It must also be noted that in the case of government and public workers, there are amenities such as welfare facilities and pensions that are not available to workers employed by most private businesses. Government and public workers are also assured annual bonuses equivalent to 1.5 month pay since last year; so generally speaking they are much better off than private workers. In short, the question appears to hinge upon whether or not government and public operations should be ranked with big business.

Needless to say, a rise in pay makes for more comfort in the daily life of the worker. The average real income of the Japanese worker (excluding carry-over from the previous month, borrowings, and withdrawals from deposit) in the period September through November 1955 was up 3.8 percent as against the corresponding period of 1954. This is considerable betterment of conditions as against the January through May period when the gain in real income, over the same period of the preceding year, was only 0.7 percent.

However, it is notable that the gain in real income does not parallel the gain in workers' pay. This is due to such factors as size of household, income earned by household members, and other causes.

When these factors are taken into consideration together with the movement of prices it can be assumed that there has been an 8 percent gain, on the

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average, in the income of Japanese workers. This has led to a considerable increase in real spending (consumer spending and taxes, excluding carry-over to the next month, savings, annuity and insurance premiums, installment buying, &c.). (Cf. Table 8)

7. MONTHLY HOUSEHOLD BUDGET OF THE AVERAGE WAGE-EARNER

(In yen)

	Jan.-May 1955	Comparison with Preced- ing Year (%)	Sept.-Nov. 1955	Comparison with Pre- ceding Year
Size of Household ..	4.75	98.5	4.65	97.7
Real Income	25,241	100.7	26,930	103.8
Real Outgo	24,370	100.0	25,635	102.5
Balance	871	↑ 156	1,295	↑ 344
Savings	184	↑ 123	97	↑ 177

Insurance, Annuity
 & Credit Premiums 635 ↑ 65 694 ↑ 50
 Savings Rate

3.2% 128.0 2.9% 131.8

Debt Repayments .. 353 ↑ 104 225 ↑ 31

Source: City Wage-Earner Households, "Household Budget Survey" of the Office of the Prime Minister.

8. PATTERN OF CONSUMER SPENDING

(Index figures)

	1951	1953	1954	Jan.-Nov. 1954	Jan.-Nov. 1955
Overall	100.0	100.0	100.0	100.0	100.0
Food	50.6	45.0	45.5	46.1	45.4
Staples	19.6	17.0	17.0	17.2	16.7
Clothing	13.7	14.2	12.5	11.6	10.9
Fuel & Light	5.0	5.6	5.4	5.1	5.2
Dwelling	5.2	5.6	5.5	5.7	5.8
Sundries	25.5	29.6	31.1	31.5	32.7

Source: City Wage-Earner Households, "Household Budget Survey" of the Office of the Prime Minister.

Nevertheless the increase in spending is not proportionate to the increase in income. In other words the surplus balance is increasing, and the savings rate (quotient of the sum of savings and deposits, and premiums for insurance, annuity, credit &c. divided by real income) is higher than in 1954. The gain in income is not being spent but is being put away for sound operation of the household.

Consumer spending by wage-earner households gained by from 2 to 3 per cent over the corresponding period of the preceding year. This is not as much as the gain in real income; but as has already been mentioned the level of consumer spending has gone up by about 7 or 8 percent on the average.

Analysis of consumer spending indicates considerable improvement in the standard of living. In the distressful immediate postwar years as much as 60 percent of income went toward food; but in the September through November period of 1955, the average stood at about 45 percent, as against the 46 to 47 percent of the corresponding period in 1954.

Spending for clothing has decreased with betterment of household wardrobes; and satisfactory gains have been indicated by outgo for sundries. Since sundries includes expenditures for education, entertainment, recreation, &c. this item is a barometer of the cultural level of worker living; and gain in this type of spending is indicative of betterment.

With this steady improvement taking place in the standard of living of the working population, it can be said that since business activity promises to remain high there is every possibility of further advancement. It must however be noted that there still remains a low-income group that continues to spend up to 60 percent of earnings for food purchases.

Errata

In the notes of the map in page 67 of the February number, Construction Ministry Plan should read Tanaka Plan, and Tanaka Plan should read Construction Ministry Plan.

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Industry

Cotton Spinning

COTTON spinning has generally been regarded as an industry in the afternoon of prosperity. This is little wonder, particularly in long perspective, as steps are being pushed for furtherance of the heavy and chemical industries and in the textile field the synthetic textile division is making remarkable progress (see this Column in the February 1956 issue).

Supply-Demand Relations Adjusted

In the first half of 1955, conditions worsened to the extent that this sort of pessimism assumed desperate proportions. The steady growth of cotton yarn production plus the slackness of export trade and domestic sales led to a rapid piling-up of inventories: May-end stock of cotton cloth and yarn eclipsed the 500,000-bale mark in terms of yarn. Just at that time, fear increased that cotton prices would suffer a slump in the future, and other bearish factors came to the fore. On June 2, therefore, 20s cotton yarn sagged to ¥166.5 (current month delivery) on the Sampin (Osaka) market, or lower than even the April 1953 bottom.

Prospects began to brighten before long, however. As the result of the production curtailment enforced as from May 1 in pursuance of an official advice of the Ministry of International Trade and Industry, cotton yarn output started a downhill curve in the second half. Domestic demand, on the other hand, picked up for summer clothing and, moreover, exports commenced to get brisk. Thus, cotton goods inventories shrank month after month. In October, workers of the 10 big spinning corporations went on strike, causing a marked drop in production: namely, pure cotton yarn turnout in that month was 143,000 bales, or less 21,000 bales than a month ago. For some varieties of cotton yarn, supply got apparently short. Thus it was that the rate of operation curtailment was relaxed by 4% as from November.

In the whole year, cotton yarn output added up to 2,067,000 bales (inclusive of only pure cotton yarn),

1. PURE COTTON YARN PRODUCTION

(In 1,000 bales)

	1955	1954
January	170	194
February	189	209
March	180	201
April	192	208
May	174	200
June	173	204
July	163	188
August	162	178
September	164	189
October	143	183
November	171	188
December	186	187
Total	2,067	2,330

Source: The Japan Cotton Spinners Association.

registering a shrinkage of 263,000 bales, or 11%, from 1954's 2,330,000 bales as shown in Table 1.

It is also noticeable that overseas sales proved not so sluggish as feared at the outset of the year. In view of the restriction on shipments to Indonesia, it was pessimistically estimated that 1955 cloth exports would drop by 15-20% from the preceding year, or to about 1,050 million sq. yds. But the yearly total came at 1,137 million sq. yds. (see Table 2). Though 11% less than 1954's 1,278 million sq. yds., it was far bigger than the original estimate.

2. COTTON CLOTH & YARN EXPORTS

	1955	1954
Cotton Yarn (in 1,000 lbs.)		
1st half	12,087	11,852
2nd half	14,115	17,695
Total	26,202	29,547
Cotton Cloth (in 1,000 sq. yds.)		
1st half	497,965	628,710
2nd half	638,966	649,411
Total	1,136,931	1,278,121

Source: The Finance Ministry.

In addition, secondary cotton products were sold abroad very actively last year. January-November sales totalled 52 million lbs., and the annual total must have been 57 million lbs. This was ascribed mainly to the brisk sales of blouses and other garments to the United States.

All told, 1955 exports are very roughly estimated at 918,600 bales in terms of yarn: i.e. 55,500 bales for yarn, 710,600 bales for cloth (one lb. equals 4 sq. yds.), and 142,500 bales for secondary goods (estimated at 57,000,000 lbs.). This compares with 1954's 962,600 bales: namely, 73,800 bales for yarn, 798,800 bales for cloth, and 90,000 bales for secondary goods. This means that 1955 shipments registered a contraction of 44,000 bales, or less than 5%, in terms of yarn.

This small decrease of exports contrasted to the afore-mentioned 263,000-bale shrinkage of yarn production eloquently bespeaks the appreciable easing of supply-demand relations. Thus, cotton cloth and yarn in stock at the end of 1955 came at 363,000 bales. Off 62,000 bales from 425,000 bales a year ago, the figure can well be regarded as normal stock.

Spinners to Regain Lost Ground

It was under favorable conditions that the cotton spinning industry greeted the New Year. Furthermore, the cotton market in the United States remained relatively stable. These circumstances, and nothing else, account for the fact that since the turn of the current year cotton goods quotations have been firmer than formerly anticipated.

Indications are that cotton prices will further go down in the future. If so, production will decline accordingly for cotton yarn. And cotton will be able

to bolster its competitive power against other textiles. It must be cited here, however, that quotations will drop, if any, only for low-grade and will remain unchanged for high-grade cotton. The encouraging effects of the weakening cotton market, therefore, will be confined to low count yarns, not exceeding 20s. But 30s yarn may enjoy some benefits as low-grade cotton is usually mixed with high-grade one for spinning this variety of yarn. In such a case, rivalry with other textiles, especially spun rayon yarn, will get intensified more than ever in all likelihood.

The recent weakening of cotton quotations, after all, is not at all a discouraging factor but it can well be considered as an encouraging factor which will boost, more or less, the competitive strength of cotton goods.

Stimulated by such developments at home and abroad, an opinion is now gaining ground among interested circles that cotton is "rolling back" the inroads of other textiles. In the past years, both production and overseas sales have been growing by leaps and bounds for rayon filament and staple, while on the other hand cotton goods have been in lethargy as a whole, their customers snatched away one after another by man-made fibres. Taking advantage of the lowering cotton prices, however, cotton spinners now are trying hard to regain their lost ground.

3. CHEMICAL TEXTILE EXPORTS

	1954	1955
Rayon Yarn (In million pounds).....	17.	18
Rayon Textile (In million yards)	264	337
Spun Rayon Yarn (In million pounds)	34	39
Spun Rayon Textile (In million yards)	303	522

Source: Ministry of Finance.

The New Development

However, the only way left to the declining cotton industry to regain its honored place it used to hold is to push vigorously forward the now-underway programme of cultivating markets for goods of higher quality into which the man-made fibres hesitate to tread. This is the only true "roll-back" tactics the cotton industry might employ with anything approaching success. Low price now prevailing to the industry's advantage cannot always be depended upon for any appreciable period of time.

Fortunately, the rationalization of cotton factories are being steamed up and the modern equipments to turn out superior goods are being rapidly installed in most of the existent plants. As the results of the efforts, the average count cotton of yarn, for instance, now stands at around 30s, while only a few years ago, the average was around 26s. This alone would help matters immensely in the exports field.

When modernization and rationalization are fully translated into reality and surplus equipments in the factories liquidated, therefore, the cotton industry will be able to get rid of that odious name—"industry on the ebb tide".

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Kaleidoscope

Foreign Currency :—Japan's foreign currency holdings as of the end of December, 1955 stood at \$1,317,000,000 including \$807,000,000 in the Dollar Area account, \$265,000,000 in the Sterling Area account and \$244,000,000 in the Open Area account. Of the total, \$190,000,000 due from Indonesia and \$40,000,000 due from South Korea are frozen.

Sheet Glass :—The calendar 1955 production of sheet glass totalled 6,602,000 cases (in terms of ordinary sheet glass) and the deliveries aggregated 6,615,000 cases (inclusive of 946,000 cases exported), according to the Japan Sheet Glass Manufacturers Association. Both the production and deliveries were some 7.0% larger than 1954. The Association estimates that the calendar 1956 production and deliveries will further gain by 9.0% and 5.0%, respectively over the 1955 equivalents.

Machinery :—Equipment investment, in depression for some time under the deflationary impact has begun to pick up since the 1955 second half on the strength of brisk exports and a steady business recovery. This trend is well endorsed by a scrutiny at the orders received by 55 leading machinery and tools manufacturers in the country, as surveyed by the Economic Planning Board. The survey revealed that the civilian orders for machinery, which stood at ¥30,600 million during the second quarter of 1955 jumped sharply by ¥20,000 odd million to ¥51,100 million in the third quarter. The increasing pace appears to have slackened somewhat in the fourth quarter, but is estimated to be outstripping the like quarter in 1954.

Cement :—Japan's cement production in calendar 1955 totalled 10,519,000 metric tons as compared with 10,640,000 metric tons for 1954, according to the Japan Cement Manufacturers Association. The 1955 deliveries also slipped from the 1954 mark of 10,548,000 metric tons to 10,484,000 metric tons including 1,232,000 metric tons for exports.

Net Budget :—The Ministry of Finance announced on January 30 that the net budget for fiscal 1956 (general account items plus special account items minus overlappings) stood at ¥2,455,400 million in revenue and ¥2,348,200 million in expenditure. These mark the decreases of ¥96,300 million in revenue and of ¥183,200 million in expenditure as compared with the net budget for fiscal 1955. The Ministry also disclosed that authorized contracts due to be concluded during fiscal 1956 and payable by the Treasury in fiscal 1957 or later total ¥26,700 million in fiscal 1956. Such contracts include the ¥15,200 million spending by the National Defense Agency for the purchase of aircraft, payable in three years starting fiscal 1956 and ¥2,400 million to be spent by the same Agency for the construction of vessels payable during fiscal 1956. The Atomic Energy Commission also has ¥2,000 million spendable for the peaceful utilization of atomic energy under authorized contracts.

Garrison Forces Employees :—According to an official survey, the number of Japanese workers employed by the U.S. Garrison Forces in Japan as of the end of 1955 stood at 156,000. The number rose to nearly 220,000 when those catering to special procurement operations were included. It is noted that U.S. Garrison Forces employees have been on the steady decrease because of sizable personnel curtailments resulting from a partial withdrawal of U.S. military personnel and the contraction of special procurement contracts. With the decrease

still to continue, the Administration is being urged to devise some counter-measures for the consequent unemployment.

Equipment Capacity :—Some key industries are suffering from an acute shortage of equipments, according to the Ministry of International Trade and Industry. The ministerial survey revealed that pig iron, midget cars, pulp and paper were somewhat underequipped as of the end of 1955. On the basis of the ministerial estimate, it is feared that the state of underequipment is likely to continue into fiscal 1956 (which marks the end of the official 5-year economic plan) in such vital industries as pig iron, steel ingot, steel sheet and plate, aluminium, carbide, electrolytic soda, rayon filament, spun rayon, midget trucks, paper and pulp. Which of these industries will first get out of the present snag depend on the future direction of equipment investment.

Land Price :—Land prices continue soaring. According to the Japan Hypothec Bank, the average land price index in the urban areas as of the end of September last year was 325 fold the corresponding average as of September, 1936. This almost equals the gain of commodity prices during the corresponding period as the wholesale price index (surveyed by the Bank of Japan) increased 327 fold.

The land price jump was particularly notable in business and residential areas, particularly the former. The reason: the speedy progress of town planning in business districts during 1952 and 1953. The boom, however, has neared the end. The hike of land prices in residential districts was chiefly due to active housing starts with loans from the Housing Finance Corporation or brisk residential construction by local public organizations.

LAND PRICE TRANSITIONS				
As of	Business districts	Residential districts	Industrial districts	Averages
September				
1948.....	35	40	39	36
1949.....	53	57	54	52
1950.....	69	66	61	66
1951.....	97	86	79	88
1952.....	151	123	116	131
1953.....	258	210	181	219
1954.....	325	270	244	286
1955 (March)	366	292	263	311
1955.....	391	306	266	325

Note: Indices based on September, 1936 as 1.

Source: Japan Hypothec Bank.

Mergers :—With the economic life stabilized after the lapse of more than 10 years since the war's termination, mergers of leading firms are well in progress. Such mergers are now taking place in two different forms: the simple mergers of companies and a kind of "cartelization" of different enterprises. Under the first category come the recent mergers of Mitsui Honsha and Mitsui Real Estate, Taiwan Sugar and Taihei Sugar, and Japan Helicopter and Kyokuto Aviation. To the second category belong the combinations of different firms under the Mitsui, Furukawa, Mitsubishi and Sumitomo interests in the petroleum industry and the recent tieup of Kyowa Fermentation Industry, Onoda Cement and Toyo Soda Industry. Such mergers and tieups are likely to intensify to cope with the increasing need for rationalization indispensable to tide over growing competition.

Tobacco Consumption :—Tobacco has become one of the most important sources of revenue for the Government. The Ministry of Finance which controls the tobacco monopoly in this country estimated that the sales of cigarettes and other tobacco products in Japan during fiscal 1956 (ending March, 1957) will total 109,400,000,000 pieces (in terms of cigarettes) up 4,000,000,000 over fiscal 1955, or the per capita consumption of about 1,300 cigarettes (including sucklings). The Government revenue from tobacco for the same fiscal year is estimated to reach ¥152,500 million inclusive of local excises.

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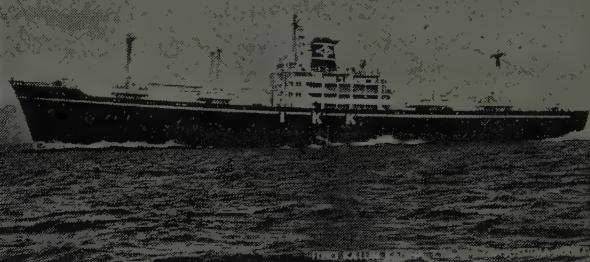
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Trade Measures

By *Katsujiro Takagaki*

ACCORDING to a recently returned visitor to the Near East, one of the most striking features of that area is the building and construction boom. Modern buildings are mushrooming, roads are being built, water pipes are being laid, and people who used to live in mud huts and go about on camels are living in new dwellings and riding around in American automobiles.

This progress is most apparent in Iraq, Sudan, and other places where oil development is being pushed, but other areas like Egypt and Syria are no exception. In other words, the Near East, which used to be regarded as one of the blind spots of modern civilization, is undergoing a revolutionary change.

At the same time, in the Southeast Asia area, the five-year industrialization plan being pushed by India and the modernization efforts of other nations are evidence of striking progress. Where formerly only deserts and jungles were seen power stations are being built, and textile mills and sugar centrals are being established. The nations of this area, restored to independence as one result of World War II, are now straining to catch up with the rest of the world in industrial progress.

Second Industrial Revolution

Even more astonishing and wonderful is the economic advancement indicated by the modern nations of the West. The economy of the United States, after shifting without hitch from wartime to normal footing, has since last year been showing phenomenal development; and in addition to achieving unprecedented prosperity it appears that the leaders of that nation have succeeded in learning how to overcome the cyclic fluctuations that were considered inevitable in any capitalistic system. Although Britain, West Germany, France, and other European nations are still subject to some ups and downs in business activity, they are, as a whole, on a steady economic uptrend.

Such being the situation, it cannot be but concluded that the world is in the process of a revolutionary change making for tremendous advancement in standards of living and for rapid growth of economic activities. It is probably no exaggeration to say that we are now at the threshold of a second industrial revolution, mightier than the first, which is based on two things: the scientific and technological achievements among which the harnessing of atomic energy is especially outstanding, and the progress in methods of national government that has resulted from the experience of two world wars.

The eye-opening growth of world trade since

World War II is one outcome of this worldwide economic advancement. According to statistics compiled by the United Nations, trade volume in 1954 with the year 1937 as the base stood as follows:

Italy	136
United Kingdom	159
West Germany	192
France	199
United States	236
World Average	165

Japan's foreign trade too has been indicating notable growth in recent years. Whereas in 1952 export trade was at an annual volume of about \$1,200 million, the returns for 1954 indicates jump to \$1,600 million, while in 1955 the level approached \$2,000 million. This growth is indeed phenomenal. Nevertheless, when compared with prewar figures, the rate of recovery is poor as against other nations of the world. According to the United Nations trade statistics, the index for Japan in 1954 was only 40; and even the most optimistic estimate for 1955 would be around 50, only one third of the world average.

Further Efforts Needed

Because the content of Japan's trade has changed considerably since the war, the volume index may not be a proper yardstick for measuring the actual status of trade. However, the monetary values involved also show that Japan is laggard: whereas in 1937 Japanese exports were valued at \$770 million, 3.7 per cent of the world total of \$20,800 million, and ahead of the Netherlands (\$590 million), Belgium (730 million) and Italy (\$550 million), the \$1,600 million level of 1954 is only 2.1 per cent of the world total of \$77,200 million, and behind the Netherlands (\$2,400 million), Belgium (\$2,300 million) and Italy (\$1,630 million).

The situation therefore does not permit us to remain satisfied with the recent betterment of export trade; and in order to regain our former position in world trade it will be necessary to attempt with resolve further sharp boosting of our trade volume.

Since the re-opening of Japan to world trade after the war, it has been repeatedly pointed out that Japan's economic recovery is almost entirely contingent upon promotion of trade. There has, it is true, been no outspoken opposition to this contention; but it must be noted that wholehearted and nationwide acceptance of this basic fact tended to be lacking. Recently, however, there has been growing realization of the importance of trade as a factor governing Japan's destiny.

This change in thinking is attributable to the

transition undergone by Japan's economy during fiscal 1954-55. The business prosperity of that year has come to be known as the quantitative boom, a rise in business activity and a growth of the economy without a corresponding rise of the price level. The commodity price level in 1955 actually dropped on the average by 1.2 per cent as against the preceding year (Bank of Japan wholesale price index), yet mining and manufacturing production went up 6.7 per cent. This sound economic growth was made possible by the notable expansion of Japan's export trade, stimulated by favorable conditions in world markets.

The arguments made for establishment of a Ministry of Trade are based on the contention that a sharp boost in trade must be attempted through unification of government agencies involved in trade administration. There are of course numerous problems lying athwart this plan, and a hasty conclusion must not be sought. Nevertheless the fact that the politicians, heretofore rather unmindful of trade, have come to take positive interest in the problem is of enormous significance. Furthermore, there is unprecedented eagerness among Japanese manufacturers to export, particularly since the curbing of credit undertaken since late 1954 suppressed domestic demand and forced them to seek export outlets. Betterment of export trade is symbolic of a bright future for Japan, and this has deepened the interest of the general public in foreign trade. Today, we are not far from wrong in saying that the idea of planning for Japan's future on the basis of trade promotion has come to be accepted as a national policy fully supported by the public.

Five Important Points

The writer would like to list five points in connection with basic thinking behind trade measures for the future.

The first is *stable currency*. Behind West Germany's astounding progress in economic recovery lies the enormous effort that has gone into cutting down consumption and maintaining the Mark at a sound value. And when it is realized that Japan's own progress in export trade was achieved as a result of a policy calling for retrenchment and disinflation, it becomes superfluous to say that the adoption of wise and cautious fiscal and financial policies for keeping the value of the yen currency at a sound and steady level is of paramount importance.

The second is *expediting of decontrol*. Japan's postwar trade is rigidly regulated by the Foreign Exchange Control Ordinance and the Import and Export Control Ordinance. Although recently there has been some relaxation of control in isolated spots, the overall and basic restrictions imposed by the control ordinances continue unchanged. In addition to the above-mentioned basic ordinances there exist scores of supplementary regulations which combine to make the trade control system a complicated maze which defeats the original purpose of exchange and trade control for protection of Japan's weakened

trade. The restrictions and the complications are now actually impeding in no small way the growth of trade. Reform of this system of control has been advocated for some time, but it is disappointing to find that no attempt has been made to solve this major problem. With the government in possession of ample foreign exchange reserves, now would be the best time to revise the control ordinances to permit freer trade.

Regardless of whether or not the control ordinances are promptly revised, the writer would urge immediate liberalization of import trade. Because today convertibility of currencies has yet to be achieved, it may not be possible to permit unrestricted import purchasing. But despite the adequacy of foreign exchange funds on hand there still remain many import items under the quota system that might very well be put on the automatic approval list. It has been pointed out from time to time that this reluctance to liberalize import purchases is due in part to the greed of certain importers who would capitalize on the scarcity of goods to gain excess profit, and also to the aim among certain bureaucratic quarters to employ the exchange allocation system as a means of regulating or controlling production. Such a state of affairs tends to obstruct industrial efficiency and efforts toward rational operation, and leads to high costs which in turn impede export sales.

Order Necessary

The third is *restoration of order to export transactions*. It appears queer indeed that while the general world trend is toward freer trade, the Japanese Government is tightening controls over export sales. For instance, secondary textile products for export to the United States have been put on the list of items requiring export permits together with cotton fabrics destined for the United States. This is a quantitative restriction. This type of control appears to be imminent for textile goods for Europe and other countries and for plywood and other goods for the United States.

Such strengthening of controls certainly is not desirable. But if, when shipping out Japanese goods to world markets, there is excessive competition among manufacturers of trading firms that tends to disrupt foreign markets unnecessarily, the boycotting of Japanese goods can be expected as a natural reaction. Consequently some measure must be resorted to in order to restore order and discipline in export business.

It is nevertheless regrettable that most of these measures are enforced not by the manufacturers and traders but by the government. It will be necessary in future for businessmen to take the initiative in self-control.

The fourth is *reorganization of the trading system*. In preparation for the projected boosting of trade volume, it will probably be necessary, both with the government and on the private business side, to

undertake reorganization of the trade system. Establishment of a Ministry of Trade would be the government measure in this direction; and if centralizing of government functions in trade can be done in this way it would certainly be a desirable step. However, considering the attitude of the bureaucrats now in charge of the various government agencies concerned with trade, it is difficult to expect any appreciable improvement by mere establishment of a separate ministry. The project must be approached with the utmost caution in so far as there is a major possibility of further complicating the present system. The most important thing, in this connection, is for the Government to center its policies upon foreign trade, to increase the relative weight of the government agencies concerned, and to allocate the best and most capable personnel to these functions.

On the private business side, the matter that has repeatedly been pointed out as distressful is the weakness of our trading organizations. During the past few years considerable improvement has resulted from the mergers undertaken by the trading firms. The next step would be for the companies to expand their overseas branch networks, and to consolidate their working capital resources. Since the trading companies are steadily working towards these objectives, it is believed that their operations will become stabilized and satisfactory in the near future.

Economic Diplomacy

The fifth point is *promotion of economic diplomacy*. With the inroads made by Japanese goods in world markets, there is considerable reaction and resistance on the part of competitor nations. Last September Japan was permitted to become a member of the General Agreement on Tariffs and Trade, but of the 34 member-nations 14 countries invoked the escape clause (Article 35) and are refusing to abide by the Agreement in their trade with Japan. The United States has sought restrictions on shipment of textile goods and other items, while even West Germany refuses to apply the OEEC liberalization rates to Japanese goods. Other world markets present various complex problems; and when it is considered that future promotion of trade hinges upon solution of these problems the importance of effective economic diplomacy takes on added significance. Never has this type of foreign relations been so necessary for Japan.

The Hatoyama Government reportedly is considering the stationing, as heads or as key members, of experienced businessmen in Japanese embassies, legations and consulates abroad in order to strengthen Japan's economic diplomatic corps. If this report be true, the plan certainly is a most appropriate one which should be promptly adopted.

The export goal of \$2,660 million was set on the basis of past experience and the expected growth of the Japanese economy with dependence on import at about the same rate as at present (approximately 11 per cent). The above-mentioned goal may be

correct in theory, but to us who are in constant touch with the real movements of the world economy the figure seems to lack imagination. Personally, the writer would aim for a considerably higher goal.

In the "Keidanren Geppo" of January 1955, the writer contended that the goal for export should be set at \$3,000 million to be attained in a few years, and that he was fully confident that this would be quite achievable. Since this statement was made at a time when the export volume for the 1954 calendar year stood at only slightly more than \$1,500 million, and the Export Council's recommended goal for 1955 was only \$1,850 million, the writer's target may have appeared fantastic to many people. That this was no businessman's pipedream is now demonstrated by the remarkable progress made in 1955 to raise Japan's export volume to \$2,000 million; and today the goal of \$3,000 million already appears too conservative.

It goes without saying that the \$3,000 million goal cannot be achieved effortlessly. Much hard work is called for. But because export of Japan-built ships has increased far beyond expectations, while blouses to the United States suddenly became a major export item earning scores of millions of yen per annum, there is definite proof that our export trade can be expanded. The writer's dream therefore can easily come true.

(The writer is president of Mitsubishi Trading Company and a board-member of the Federation of Economic Organizations).

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*Glimpses of Japanese Culture***East and West in Japanese Literature**

By Kiyoshi Komatsu

In June, 1952, I addressed the annual PEN meeting in Nice, France, representing Japan. The theme of the discussion on which I spoke in French was "Modern Youth and Literature." Distinguished representatives of many countries, and the general public listened to me. Among them, I noticed in front of my platform M. André Maureis, author of "The Life of Disraeli," listening to me with his hand on his white locks. Let me begin my essay by quoting the gist of that address.

"It is no exaggeration to say that the course of my life was determined in my youth through an appreciation of literature. The sentiments of my youth, from 1915 to 1921—, as I recall, were strongly influenced by many men of letters, including, of course, several modern writers of Japan, as well as those of Russia, France, Britain, Germany, etc. The Japanese writers, when I examine them carefully, were those reflected more or less in foreign literary influence. In other words, I have learned to appreciate and my life has been shaped by West-European and Russian writers through the works of some Japanese authors.

"What moved my heart and mind during my youth was not the pure literary quality of a work, but rather the metaphysical, ideological values that make up the framework of the literary product. Thus I devoured literary works that represented many ideologies such as democracy, humanism, individualism, socialism, communism, anarchism that rushingly streamed into Japan from World War I until the postwar period.

Traditional vs. New Ideas

Compared with these ideologies, the traditional thoughts of Japan seemed to me mummified; "étranger" to us, who formed the rising generation. Western ideas, hitherto unknown to us, attracted our youthful imagination with irresistible charm. The foreign writers and the characters in their works cried out to us: 'Youths' here lies your way of life!' Not only myself, but most of the contemporary youths found themselves feeling the same way.

"In retrospect, this tie with foreign letters represented something fatal. Not only Japanese literature, but whole life of modern Japan found itself in this fatally tragic situation, to which the people uprooted from their honored traditions were inevitably destined."

The great writers I favored during years of my youth before I left for France in 1921, had all been affected by modern literature from abroad. For instance, among our representative writers, Soseki Natsume was influenced by English letters; Ogai Mori by German works; Junichiro Tazaki by Edgar Allan Poe, Baudelaire and Oscar Wilde; Katai Tayama and Shusei Tokuda by the French naturalists; the humanists such as Toson Shimazaki, Takeo Arishima and Saneatsu Mushakoji by Leo Tolstoy. At least, I found in the works of these Japanese writers views of life and the world which they had assimilated from foreign writers and I was profoundly absorbed in them. Sailing for Europe, 1921, I had in my baggages the complete works of Leo Tolstoy, several volumes of Dostoyevsky, Chekhov, Gorky. There was also "Sanin" by Artsybashev, another Russian novelist. I carried books by Maupassant and Zola of 19th century France, and Romain Rolland and Barbusse of the 20th century. Of course, most of the volumes were translations in Japanese and some were in English. (Gide and Valéry were quite unknown in

Japan then. Claudel no more.)

The recollection of the books that occupied my shelves shortly after my arrival in Paris still puts me in a nostalgic mood. Together with Tolstoy, Dostoyevsky, Chekhov and French writers, works that belong to "Ideological Literature" occupied an important place there. They were Marx, Bakounin, Kropotkin, and also Nietzsche and Stirner. My spiritual nourishment was taken especially from Kropotkin's "Mutual Aid", Nietzsche's "Zarathustra" and Stirner's "Der Einzige und Seine Voerwoegen" (The Only One and His Possession).

The thinkers represented in my reading will make you soon realize the ideological dilemma which I faced. Tolstoy's idealism offered much in opposition to the scientific socialist view of the world, which in turn contradicted the individualism of Nietzsche and Stirner. The socialist idea that favored a centralized authoritarian rule opposed the anti-authoritarian socialism of Kropotkin. I can recall now the ideological anguish I suffered in my youth from these opposing ideas. But, I was perhaps most deeply influenced by Tolstoy and Nietzsche. (It was Nietzsche's influence that led me to later encounter with André Gide and André Malraux).

Obsessed by the "Myth of Revolution" in my early days in France, driven by its enthusiasm, and stimulated by my friends, I developed a close political sympathy toward the Communist party, although I never joined it and gradually became more and more critical of it. The reason for this was partly my liberal temperament but was probably more of my individualism owing to the influence of Nietzsche and Stirner.

During my sojourn in France—1921-31—my intellectual adventures continued. As the years rolled by, I drifted farther and farther away from the "Myth of Revolution." Instead, I proceeded toward an examination of human nature—a quest for myself. I desired to grasp myself and develop and create, in an expression of myself, rather than search for myself by pure introspection. There my passion for art, the "Myth of Art" was born. I ceased to read Baudelaire as a decadent and nihilistic poet. I began to admire his creative genius for art. After Baudelaire I discovered Rimbaud. And at long last, towards the end of the 1920s, I discovered with admiration and wonder the work of André Malraux. My encounter with Malraux as a man and a writer, had a decisive effect on my life. (As I stated before, this encounter would have been impossible without my previous passion for Nietzsche, and without this discovery, my absorption with Gide would have been unimaginable.) For from that time I not only reexamined literature and art, life and history from Malraux's world, but Westerner Malraux has led me to reappraise Japan and the Orient. Through the revelation of "The Temptation of Western Europe," I became aware of the confrontation of Western Europe and modern Japan, and its inescapable reality.

From Imitation to Creation

Thus I was greatly influenced in my youth by foreign literature. In my case, the effect of foreign literature may be considered especially strong, but it was by no means exceptional. Both in my youth and in the postwar years of today, few, if any, representative writers of Japan were not influenced by foreign literature. "Rashomon" of Akutagawa which has been made a movie, would have been written differently if the author had not gleaned a hint from Pirandello. It can be

said that Japanese writers who have rejected the influence from foreign literature have become remote from today's readers. Of course, the influence of foreign literature, however great, has not rendered Japanese literature imitative. The period of imitation is past, and today, the traditional basis for Japanese literature with its own individuality and history firmly exists. The racial ideology, sentiment and sensitivity, peculiar to the Japanese, which have been formed and refined for centuries, the philosophical and ethical thoughts that are related with China and India through Buddhism or Confucianism—the entire tradition that is Japanese and Oriental—has been revised in multifarious forms in our modern literature, by Japanese writers from "strata buried in the past." It is interesting to discover old Oriental and Japanese views of life and sensitivity in modern Japanese literature which is seemingly very European. Also the more talented the writer, the less influence of foreign literature appears on the surface. The foreign influence is absorbed into the inner world of the writer, to make his work richer and more creative.

I have described the European influence in modern Japanese literature. I have also explained that the close ties between Japanese literature and foreign literature have gradually grown out of a period of direct influence and imitation into one of metamorphosis and creation. Thus, inevitably, the problems of individualization and naturalization in Japanese literature were born, and further problems such as the reappraisal of Oriental culture (or Japanese culture) and the confrontation of the Orient and the Occident were reflected in Japanese works. After World War I, some European writers predicted a "Nihilism of Europe" and "The Decline of the West," and some urged "The Discovery of the Orient." Naturally, these thoughts were relevant to a reappraisal of traditional Japanese culture and literature. In the 1930s the voices favoring a return to traditional Japan and the creation of the national literature became louder. Undoubtedly, political pressures such as arising from the rise of Fascism in Japan and the outbreak of the Sino-Japanese Incident also played a big role, but, apart from this, some Japanese writers began taking the initiative in an awakened, nostalgic reappraisal of the tradition and culture of Japan and the Orient. One of the works that clearly exhibits this tendency is "Ryoshu" (Lonesome Journey) by Riichi Yokomitsu (1898-1947).

Confrontation of Europe & Japan

Yokomitsu traveled through Europe in 1936. "Ryoshu" represents his inner reflections during his trip which are depicted in the lives of two young Japanese intellectuals in foreign countries. One of them holds traditionalism. The other holds Europeanism. The ideological opposition between the two is intertwined with their love affairs with a devout Catholic young woman, also Japanese. In their adventures, in the milieu of the trip from Paris to Austrian Tirol, in the foreign scenery, customs and events (for instance the clash between rightists and leftists in the July 14th mémorial day in 1936), the theme of the confrontation of Europe and Japan develops. An able literary critic of Japan, Katsuichiro Kamei, answering the question why "Ryoshu" is most widely read among Japanese intellectuals as Yokomitsu's writing, says:

"I have been considering this not only his representative work, but also the work that involves the greatest number of problems among the products of modern literature. I once described this work as "A story of the intellectual fate of a Japanese who was baptised in modern Europe." That is to say, our minds are torn between things modern Europe and things Japanese or Oriental, or they hybridize the two in an indescribable floating condition. Japanese intellectuals are of course strangers to Europe, but aren't they also strangers to their own country?"

Mr. Kamei's remark that "Ryoshu" is "A story of the intellectual fate of a Japanese baptised in modern Europe" is

exactly true. The modern European influence is overwhelmingly dominant. Nevertheless, should we allow the cultural, artistic, and spiritual values of Japan and the Orient that have the great tradition of thousands of years to be neglected and forgotten? This is Yokomitsu's deep observation in anguish of the problem during his lonely and melancholy travel in a foreign country. His reflection did not remain a mere nostalgia for the Orient and Japan. It went a step farther and became an affirmation of the spiritual value of the traditional Orient and Japan. It is expressed in his work in an exuberant contention, sometimes simple and naive, hurried and dogmatic, often esoteric.

The value of the novel "Ryoshu", apart from its purely literary value, lies in the story of the conflict between Europe and Japan that occurred in the minds of Europeanized Japanese intellectuals.

Postwar Trends

"Ryoshu", written nearly twenty years ago, still commands continuing popularity which stems from the fact that the work dodges not in the great problem of the "East-West" confrontation. The problem, in Mr. Kamei's words, is fatal and left for a long time unsolved by the Japanese intellectuals on account of its inscrutability. Yokomitsu, however, did not hesitate to tackle with every aspect of the problem one after another without sidestepping. Religion, science, socialism, Shintoism and traditionalism came into author's ken and his way of thinking on these matters are deftly developed in the dialogue between the characters of the novel who, every one of them, are bit of author's self. The dialogue interests us deeply with its unusual freshness.

From the 1930s to the end of the Pacific war, the Oriental or Japanese traditionalism occupied a great position in Japanese intellectual world. It was often distorted by a sentimental egotism (nationalism) based on a dogmatic negation of the West. It was the traditionalism much deformed by the politics. With the defeat of Japan, an uncritical following of the West (morally, an extreme Americanization) and the loss of the fatherland surged upon us. And a sentimental anti-traditionalism and a rootless cosmopolitanism became rampant. Many works, especially immediately after the war, showed a strong iconoclastic tendency as well as anti-traditional one. Communism and Sartre's existentialism spurred on this trend.

As the society has been stabilized and the people have regained calmness, the world of thoughts also recovered from its confusion. Intellectuals have begun to reflect quietly upon the long history and tradition of their country. They speak such terms as fatherland and tradition without undue humility. They want the tradition of the Orient and Japan not only as "a nostalgia for the ancient Japan", but also its revival as a new value by metamorphosing. The rise of new Asia after the war which inspired the Asian conscience among Japanese intellectuals should not be over-looked. This political, national solidarity has created an atmosphere favorable for the pursuit of the cultural value of the Orient confronting the Occident. The problem East and West, fatal to the Japanese, is once again growingly the concern of intellectuals after twenty years since the appearance of "Ryoshu". Though inevitably form different angles, their object is the same. Herein lies the key for the riddle of the still continuing popularity of Yokomitsu's "Ryoshu." Modern works that consciously take up this problem is not many. A few novels representing the rising generation, however, have already presented the confrontation of the East and West. For example, a new writer, Shusaku Endo (who got the Akutagawa prize last year, which could be compared with the Goncourt Prize in France) touchingly wrestles with this problem in his "Shiroi Hito, Kiiroi Hito" (White Men, Yellow Men), which evidences his fine literary talent.

(The writer is a noted literary critic and translator of Gide and Malraux)

Commodity Market

Cotton Goods:—The quotations of cotton yarn and fabrics continued stiff from January through mid-February with 20s (singles) reaching ¥77,500 per bale as of February 18, some ¥3,000 higher than the price at the start of the year. The price of 30s (singles) climbed to ¥95,250, up about ¥9,000 and that of 40s (singles) stood at ¥113,000, up ¥17,000. Far more undersupplied than yarns were fabrics with some specific items too short to meet export orders and summer demand. The firm market tone of cotton goods was attributable to four outstanding factors: 1) the dwindling of inventories to 359,000 bales (in terms of yarn) at the end of 1955 despite the continuance of the 12% production curtailment; 2) continued animation of exports with 160,000,000 square yards shipped in December and January shipments estimated at 104,000,000 sq. yds. Exports in February and March are expected to exceed the 100,000,000 sq. yds. mark. In February, bulky purchases were made by Burma and deliveries to Indonesia also continued active; 3) the advent of the demand season for summer items on the domestic market; and 4) the fixation of the lowest sales prices of the CCC cotton at 25.5 cents to the relief of cotton circles here. In view of the stiffened market, MITI decided to alleviate the production cut rate accordingly from April, although the 12% cut rate was left intact for March. The production curtailment was originally enforced to achieve two objectives: 1) prevention of export dumping, and 2) maintenance of the break-even points for spinners. Now that the inventories have tapered off and the market has fully recovered, however, MITI is expected to alleviate or entirely remove current production curtailments. Meanwhile, cotton circles are generally opposed to the early removal of the curtailment on the ground that such a step may unnecessarily derange the market sentiment and that a small advance of export prices is not particularly unwelcome at this time when the low prices of Japanese cotton goods have become a controversial issue in the United States and Europe.

Chemical Fibres:—The rayon filament yarn quotation which soared to a record high of ¥255 per pound in mid-January began to weaken later and stood around the ¥220 mark in mid-February. The sharp price upturn in the first fortnight or so in January was largely due to the unprecedented export boom of rayon items in December, last year when rayon filament yarn shipments hit a new peak of 4,700,000 lbs. and rayon fabrics shipments also set a new record of 42,000,000 sq. yds. The sharp price increases which came in the wake of the December export hike, however, forced domestic spinners and overseas traders to hesitate purchases and the prices began to soften gradually in consequence. With the market still undersupplied, however, the quotations are likely to follow a bearish zigzag. Meanwhile, the exports of filament yarn and fabrics during January slipped to 1,519,000 lbs. and 23,814,000 sq. yds., respectively.

The quotations of spun rayon yarn followed the same course as those of rayon filament yarn, reaching a peak in mid-January and then starting to drop. Exports of spun rayon yarn reached 3,464,000 lbs. in December and 1,909,000 lbs. in January while those of spun rayon fabrics totalled 60,816,000 and 35,251,000 sq. yds., respectively.

The problem of overequipment has become a controversial problem in the spun rayon industry since last year. With a fat earning of ¥20 for each pound of spun rayon yarn guaranteed at the current market prices, all spun rayon mills are

busy mapping out expansion programs. With the current expansion plans completed, the annual capacity is expected to reach a huge total of 750,000,000 lbs. this year, as compared with the actual output of 530,000,000 lbs. during 1955. In an effort to prevent the spun rayon industry from becoming overequipped as in the case of cotton spinning, MITI plans to squeeze the expansion of the annual capacity to a total of 650,000,000 lbs., but it appears doubtful whether spun rayon manufacturers may meekly obey the MITI program.

Woollen Yarn:—The woollen yarn quotations remained almost intact. The domestic wool market has stiffened somewhat as a two-week strike of Australian stevedores from late January through early February delayed the Australian wool shipments amounting to about 100,000 bales to Japan and the Argentine wool quotations began to hike. The domestic quotations of woollens, however, have remained almost immune to the two stimulants. Meanwhile, the Japan Wool Spinners Association decided to ask the Government for a foreign currency allotment amounting to \$166,200,000 for importing 757,000 bales of wool during fiscal 1956, exclusive of Argentine wool, and fixed the export goal of woollens during the same fiscal year at the 1955 level of \$68,000,000. During fiscal 1955, wool imports totalled 770,000 bales worth \$160,800,000.

Raw Silk:—Raw silk quotations plummeted in mid-February with 20/22 A dropping to the ¥190,000 mark (the lowest quotation provided for in the Raw Silk Price Stabilization Law). To prevent a further price dipping, some 4,500 bales have already been purchased by the Government and the Export Silk Storage Company. The Government has a ¥6,000 million raw silk stabilization fund and is thus able to purchase a total of more than 30,000 bales. Hence, a further drop of the raw silk prices may be curbed through additional purchasing manipulations. In the absence of any positive factors in support, however, there is little hope of an early recovery for the silk mart. As a measure to cope with the current depression, the lowering of the minimum price is urged in some circles, particularly commercial houses and weavers. This step, however, is opposed by sericulturists, weavers with the Ministry of Agriculture and Forestry backing. Hence, no change appears likely in the new silk year. As the latest news to traders, Kataura Industry Co., Ltd., the largest raw silk manufacturer in this country, entrusted the exclusive sales right of its production (40,000 bales annually) to Daiichi Bussan Kaisha, Ltd. in late January.

MAJOR TEXTILE QUOTATIONS

	Cotton Yarn (Osaka)	Rayon Yarn (Osaka)	Spun Rayon (Osaka)	Woollen Yarn (Nagoya)	Raw Silk (Yokohama)
Nov.	5.... 192.5	198.4	149.9	958	1,969
	12.... 192.0	196.1	148.0	964	1,959
	19.... 193.3	197.3	153.4	991	1,923
	26.... 198.0	197.0	156.0	964	1,940
Dec.	3.... 190.1	209.5	150.0	1,023	1,929
	10.... 189.2	210.5	147.9	1,007	1,920
	17.... 187.1	224.5	145.9	976	1,941
	24.... 180.9	228.0	145.1	994	2,000
	28.... 179.0	234.9	145.9	987	1,975
Jan.	4.... 179.0	238.9	147.1	989	1,969
	7.... 177.1	236.2	147.6	980	1,950
	14.... 180.0	245.4	153.9	987	1,940
	21.... 183.0	241.1	153.0	996	1,935
	28.... 184.5	232.9	148.3	985	2,925
Feb.	4.... 188.9	223.1	148.7	998	1,239
	11.... 190.7	227.1	145.9	1,007	1,909
	18.... 192.6	224.6	142.1	996	1,901

Labor

Wage Uptrend:—On the spur of brisk business activities, wages are now on the uptrend. Although the average nominal wage from January through November, 1955 shows only 4.7% increase over the past year (6.9% in 1954), the real wage rose by 5.8% thanks to the slight decline in consumer prices. In consideration of the fact that, in 1954, there was no appreciable growth (only 0.4%) in the real wage, 5.8% increase is a welcome improvement indeed to the humble wage earners.

Growth is more conspicuous when the average figures for the September-November period alone are brought under review. In these months of booming business, the nominal wage grew by 6.3%, while the real wage went up by 8.4% compared to the like period in 1954.

As the real wage index (1934-36 as 100) in all manufacturing industries stood at 108 in 1954 and was favorably compared with the pre-war figure even after 5.4% income tax (which was almost nil in the pre-war days) was deducted, the latest index, only if available, is bound to show far greater improvement in the wage earners' living standards. Moreover, as the income tax was somewhat cut down since July, 1955 and a further cut is being planned for the near future, the real wage is still on the comfortable uphill.

Mainly responsible for the wage hike is the increased work-hours due to the expansion of national economy as well as the now periodical raising of the general wage levels. Although such measures as slow-down operations were in vogue in the depressed year of 1954 and the early 1955, the average work hours from August through November, 1955 showed 2% increase over the same period of the previous year.

Outstanding Problems:—There are still many problems, however, under the seemingly improved wage situation in general. For example, there are such businesses as banking, trusting and insurances, whose workers are drawing an average ¥23,000-24,000, while manufacturing industry workers get meagre ¥15,000. Even in manufacturing, the primary metal industries pay an average of ¥20,000, while garments industries dole out only ¥8,000 each, the ratio of the two standing at 100 to 39. Even when the age and sex differences are taken into consideration, the gap is still wide from the like figures in countries such as the United States where the ratio stands at 100 to 60.

The difference grows conspicuous between the big businesses and smaller counterparts. For instance, when the big business employing more than 500 persons is set at 100, the smaller business having 99-499 workers stands at lowly 60. Moreover, when the longer hour (usually 7-8% longer) which invariably accompanies the smaller business operations is duly put on the scale, the difference should be still greater. In such countries as the United States, the ratio stands at about 100 to 90.

Of course, the low productivity of the smaller enterprises mainly accounts for this disparity in wages, but another important factor peculiar to Japan is the existence of vast latent unemployed about 6 millions against the whole population of 90 millions) who are ready to land any job unmindful of its scanty rewards.

Pay Hike Struggle:—With frontal clash between the labor and management fast approaching, the sense of alertness is pervading everywhere, whilst the fast skirmish was reported on the coal mine front where the unions were demanding full employment.

For years, coal mines in Japan have been known for inefficient management and such improbable act as "The Coal Rationalization Act" has been enforced to remedy the situation by abolishing some of the most notorious mines. However, if the plan is rigidly carried out, it means considerable cases of unemployment to the hard-hit workers. It was against this background that the recent coal miners' struggles were staged.

In November last year, the unions in Mitsui Mining and Mitsubishi Mining won a big victory when they had the management promise full-employment, improved labor conditions, replacement of resigned employees and several other items. Following these examples, unions in other coal mining companies staged a series of desperate fights which culminated in the threat of sectional walk-outs (as the overall strikes are forbidden in the coal industry) on January 27, 1956.

Unions signed in as participants were those in Hokkaido Colliery and Steamship, Sumitomo Coal Mining, Furukawa Mining and Yubetsu Colliery and Railroad. These planned strikes, however, were fortunately called off, as the negotiations between the labor and management led the way to mutual compromise on January 30.

The contents of the compromise agreements reached separately by each com-

pany union, however, are not as clear-cut as those in the cases of Mitsui and Mitsubishi and have a lot of room for the management to squirm around "in case". For instance, Sumitomo agreement states that the management "tries" not to resort to any personnel cuts, while Furukawa clause jots down that the management will "consult" with the labor if any change in labor conditions is necessitated.

However, even this much concession on the part of management in the time when every effort should be aimed at increased efficiency with reduced production cost will force land the hard-hit industry into the still narrower straits hereafter. Songs of victory escaping from the workers' lips seem to sound a little hollow.

Government Party's Offensive:—On February 8, the Liberal-Democratic Party got into a strange limelight when it issued an unaccustomed statement warning Sohyo not to resort to the planned "general" strike.

The strike, the statement contended, is meditated simply to boost Sohyo's prestige and satisfy its political ambitions at the sacrifice of the general public. This fact can clearly be understood, "the statement added, when one sees that all the other unions outside Sohyo are bitterly critical of the Sohyo's present move and adamantly refusing to join the hands.

For the Government itself, on the other hand, Labor Minister Kuraishi made a statement to the effect that the Government would take a stern measure against any public servants whose unlawful conducts have proven damaging to the public interest.

Another interested party in labor problems, that "good, old" Socialists, rushed to oppose the Liberal-Democratic Party's stand on the self-same February 8 and said that the Government and its party were trying to crash down on the labor unions with the purpose of breaking up the healthy growth of collective bargaining. Sohyo with its thousand other jarring mouthpieces could not be kept silent either. It hastened to declare on the same day that all it was demanding was simply for the betterment of the average workers and that it would never bow down to the Government's usual tactics of "intimidation". Although this mounting chaos is all very interesting to witness for an outsider, it breaks our hearts to realize that the grim drama is being staged at our own expenses and, worse still, at our country's prestige.

Foreign Trade

January Exports Decline

A reactionary setback crept into Japan's foreign trade in January. Exports during the month declined by \$99,853,000 from last month to \$149,333,000 which is 59.9% of December's \$249,186,000, according to the Customs House of the Ministry of Finance. Imports also shrank from December's \$234,239,000 by \$15,892,000 to \$218,347,000 or 93.2% of the previous month. Thus, January's imports amounted more than exports by \$69,014,000, while in December exports surpassed imports by \$14,947,000.

On the list of exports, cotton cloth registered the highest amount in value (\$20,414,000), followed by iron & steel (\$17,736,000), ships (\$10,986,000), fish & shellfish, garments, spun rayon cloth, and rayon cloth in the order named. Textile machinery & parts increased by 10.8% and fish and shellfish rose by 8.8%, while all other items receded. Rayon yarn showed the sharpest drop of 67.6% cotton yarn 63.7%, and silk cloth 51.9%.

On the list of imports, cotton retained the top place in value (\$33,764,000), followed by petroleum (\$22,081,000), wool (\$15,628,000), sugar, soybeans, rice and iron ore in the order named. Coal increased by 75.2%, non-ferrous ores by 36.1% and barley by 12.0%, while others remained almost the same or slightly declined.

Decrease in Foreign Exchange

With receipts at \$238 million and payments at \$208 million January foreign exchange was favorably balanced at \$30 million which is about half of the balance of the preceding month, according to the Ministry of Finance. The decline that came despite the continuous high level of receipts from exports (\$181 million), is due to the increased payments for imports, reaching \$179 million, the highest since April, 1954, as well as to the decline in receipts from special procurements, which dwindled by \$14 million from the previous month. The worsened balance in the dollar exchange was also responsible.

The figure for export trade in Table 3 shows a decrease of \$17 million. This is caused by the marked decreases in textile goods, steel products and fertilizers. The total amount of receipts from exports, \$181 million, however, is over the average monthly level of 1955 at \$163 million. Payments for imports, on the other hand, totaled \$179 million, exceeding the

1. JANUARY 1956 EXPORTS (In \$1,000)

	Quantity	Value	% of previous month	
			Quantity	Value
Foods & Drinks		15,867		92.4
Fish & shellfish (mt.)	15,236	9,536	93.5	108.8
Tea (1,000 lbs.)	2,186	556	68.2	68.8
Textiles & Manufactures Thereof		53,453		54.2
Raw Silk (bales)	3,826	2,400	82.2	36.3
Cotton yarn (1,000 lbs.)	2,529	2,331	60.6	62.6
Rayon yarn (1,000 lbs.)	1,519	747	32.6	32.4
Spun rayon yarn (1,000 lbs.)	1,909	858	55.1	59.1
Cotton cloth (1,000 sq. yds.)	104,785	20,414	63.6	60.7
Silk cloth (1,000 sq. yds.)	2,208	1,119	48.7	48.1
Rayon cloth (1,000 sq. yds.)	23,814	4,611	54.7	57.3
Spun rayon cloth (1,000 sq. yds.)	35,251	6,086	58.0	59.7
Garments		6,856		48.8
Pharmaceuticals & Chemicals		6,547		55.2
Chemical fertilizers (mt.)	49,843	2,811	53.0	48.5
Non-metallic Mineral Products		6,464		70.0
Cement (mt.)	110,712	1,922	93.9	95.3
Chinaware		2,975		63.5
Metals & Manufactures Thereof		24,603		57.6
Iron & Steel (mt.)	118,855	17,736	60.7	59.6
Non-ferrous metals (mt.)	3,043	3,250	54.2	58.4
Metal manufactures		3,614		48.7
Machinery		21,864		60.3
Textile machinery & parts		2,161		110.8
Sewing machines (units)	70,209	1,689	44.2	46.2
Ships (no.)	29	10,986	96.7	78.6
Others		20,535		61.8
Timber (cu. m.)	32,459	1,739	66.7	61.3
Toys (mt.)	3,072	2,475	56.3	53.9
Plywood	33,103	2,175	72.5	82.2
Grand Total		149,333		59.9

Source: Finance Ministry.

2. JANUARY 1956 IMPORTS (In \$1,000)

	Quantity	Value	% of previous month	
			Quantity	Value
Foods & Drinks		42,708		82.3
Rice (mt.)	56,234	9,208	73.6	71.8
Barley (mt.)	69,042	4,519	109.5	112.0
Wheat (mt.)	93,870	6,644	48.1	47.7
Sugar (mt.)	117,470	12,708	95.2	93.7
Textile Materials		54,347		93.5
Rayon pulp (mt.)	6,301	1,367	91.8	95.4
Wool (1,000 lbs.)	22,165	15,628	98.7	97.9
Cotton (1,000 lbs.)	104,875	33,764	91.5	84.2
Vegetable & Bast Fibres (1,000 lbs.)	15,889	1,758	79.7	81.5
Metals & Metal Ores		20,469		100.2
Iron Ore (mt.)	459,081	8,108	95.8	99.4
Scrap Iron (mt.)	122,446	6,850	87.2	85.0
Non-ferrous Ores (mt.)	120,759	4,506	126.8	136.1
Non-metallic Minerals		7,086		77.0
Rock Phosphate (mt.)	97,929	2,458	69.7	79.1
Salt (mt.)	177,064	2,344	64.0	75.2
Mineral Fuels		30,444		106.9
Coal (mt.)	375,456	7,844	172.4	175.2
Petroleum (kl.)	1,122,886	22,081	91.7	98.8
Other Materials		31,978		95.2
Hides & skins (mt.)	6,268	2,422	108.4	105.0
Soybeans (mt.)	103,309	11,139	106.9	104.2
Crude rubber (mt.)	7,272	1,261	81.5	81.9
Timber (cu. m.)	187,516	5,278	113.1	107.2
Pharmaceuticals & Chemicals		7,717		94.3
Machinery		11,861		96.3
Others		11,737		97.5
Tallow (mt.)	5,634	1,294	52.3	55.8
Total		218,347		93.2

Source: Finance Ministry.

previous month by \$3 million. This increase is due to the increases in scrap iron, leaf-tobacco, and sugar despite the decreases in rice, wool and petroleum. The payments for imports during January exceeded not only the monthly average of 1955 at \$154 million, but also of 1954 at \$163 million and \$175 million of 1953, during which import trade was very active.

The recent increase in imports is mainly on account of increased imports in industrial raw materials for the growth in industrial production. Notable among them are crude rubber, raw materials for chemical industry, coal, fats and oils, scrap iron, and raw cotton.

In invisible trade, special procurements accounted for \$41 million, less than the previous month by \$14 million. The cause for this decline is largely the decrease in consumption of the garrison personnel. Thus, despite the decline in payments for foreign bonds, the invisible trade balance resulted in \$28 million, less than the previous month by \$12 million.

The deferred payments during January balanced at \$1 million (the new incoming \$84 million and the settled amount \$83 million). The net balance thus reached \$29 million.

The foreign exchange accounts by currency area follow:

Dollar Area :—The favorable balance accounted for \$17 million, a big dwindling by \$22 million from the previous month. Exports invariably declined in textile goods and foodstuffs for Canada. Imports, on the other hand, increased by \$2 million, due to the increased American soybeans, leaf tobacco, though Canadian wheat and Arabian petroleum declined.

Sterling Area :—Contrary to the worsened dollar exchange, the sterling exchange balance improved, because of the increase in food exports to England. The new sterling usance accounted for \$48 million, and the settlement of the old \$37 million, the balance at the end of January being increased up to \$171 million.

Open Account Area :—Payments almost equaled receipts. This means the decrease in payments by \$11 million from the previous month. This is to be attributed to the decline in exports, notably in textile goods for Indonesia and steel products for Argentina. In imports, on the other hand, raw cotton from Brazil increased, while rice from Formosa decreased.

Trade with Argentina

Director Osamu Itagaki of MITI's Trade Bureau denied the need of any restrictions on exports to Argentina despite its \$90 million debit balance in trade with Japan in a press confab immediately upon his return from an extended tour to the South

3. FOREIGN EXCHANGE DURING JANUARY

(In \$1,000,000; figures in parenthesis show loss (—) or gain compared with the previous month)

	Total	U.S. & Canadian Dollars, Swiss Franc	Sterling & German Mark	Open Account
Receipts	238 (—30)	128 (—19)	71 (—0)	39 (—11)
Export Trade	181 (—17)	76 (—7)	68 (—1)	37 (—11)
Invisible Trade	57 (—13)	52 (—12)	3 (—1)	2 (—0)
Payments	208 (—2)	111 (—8)	58 (—1)	39 (—0)
Import Trade	179 (—8)	94 (—2)	48 (—1)	37 (—0)
Invisible Trade	29 (—1)	17 (—1)	10 (—2)	2 (—0)
Balance	30 (—32)	17 (—22)	13 (—1)	Δ0 (—11)
Commodity Trade	2 (—20)	Δ18 (+Δ9)	20 (—0)	Δ0 (—11)
Invisible Trade	28 (—12)	35 (—13)	Δ7 (—Δ1)	Δ0 (—Δ0)
Deferred Payments*	1 (—6)	—7 (—Δ0)	10 (—5)	—2 (—1)
Net Balance	29 (—26)	24 (—22)	3 (—6)	2 (—10)

Source: Bank of Japan.

Notes: Figures marked with Δ indicate the unfavorable balance; others, the favorable balance. (+) Δ for the gain in the unfavorable balance, and (—) Δ for the decrease of the unfavorable balance.

* Figures for this item denote the provisional estimates for the gain or loss in payments postponed through usance bills and other media.

American country on February 13. The MITI official said that the Argentine Government agreed to ship \$2 million worth of wool (about 10,000 bales) to Japan monthly. This amount is double the monthly allotment to which Japan has so far been entitled, he said.

He added that Japan will import about 100,000 tons of Argentine wheat at an international market price. He further said that to clear off Argentina's debit balance the Argentine Government agreed to allow part of the debit balance to be invested in Argentine industries. He also made it known the still remaining debit balance of Argentina after Japan's purchases and investments will be settled over a certain period of time by mutual agreement.

Rolling Stock to Burma

The Burmese Government has agreed to buy 1,160 cars worth some 2,000 million from 13 Japanese rolling stock manufacturing companies. The contract was made after the Burmese Supply Minister negotiated in Japan with Japanese manufacturers case by case. Of 1,160 cars, passenger cars accounted for 100 and freight cars 1,060. The 13 companies included, among others, such leading rolling stock makers as Hitachi Seisakusho, Shin Mitsubishi Jukogyo, Japan Rolling Stock Mfg., Kawasaki Rolling Stock Mfg., Kisha Seizo, and Kinki Sharyo.

Steel Exports Increase

Steel export contracts in January totaled 114,000 tons worth \$20 million, showing an increase of 31,000 tons (37%) valued at \$5 million (33%) over the previous month, according to Japan Federation of Iron & Steel. The relaxation starting with January 1, 1956 of export restrictions on steel enforced since late December reopened exports of bars, shapes and plates, which zoomed during January. Steel exports to Argentina, however, declined to

half the previous month's volume.

Rubber Goods Exports Up

The rubber industry decided its export goal for fiscal 1956 (April, 1956 to March, 1957) to be \$25,550,000 (10,000 tons in terms of raw rubber). Exports of rubber goods have been on the increase in these two or three years. The export volume of rubber goods during calendar 1955 amounted to \$22,200,000, or an increase of 44%, according to the Customs survey. By type of manufactures, automobile tyres and tubes accounted for 41% of the total, rubber cloth 14.7%, toys 13.3%, and belts 6.9%. By destination, the dollar area occupied 37.3%, the sterling area 32.3%, and the open account area 29.7%. Principal countries who import Japan's rubber goods are the United States (9.0%), Hong Kong (7.5%), Thailand (7.3%), and the Philippines (7.2%).

The 1956 export goal shows an increase of 23% over the previous year. The goal is expected to be reached easily if the present boom in tyre and rubber cloth exports continue.

German Industrial Mission

The delegation of the Federation of German Industries (B.D.I.), headed by its president Mr. Fritz Berg, arrived in Japan on February 13, 1956. The six-member German industrial group was on the first leg of their goodwill tour in Asian countries. They stayed in Japan, inspecting Japanese industries, till Feb. 19 when they left for Hong Kong.

The chief objective of the Mission here was to make an effort to come to an agreement with Japanese exporters on a "price policy" regarding each other's exporters in third countries in order to prevent lowering of German prices. The itinerary of the German mission includes Japan, Hong Kong, Singapore, Indonesia, Thailand, Burma, India and Pakistan.

Investment Outlook

Quantitative Boom

Fair Showing:—Business has at last extricated itself from a semi-chronic depression as the deflationary impact has gradually faded. According to available reports, business results of key industries for the half-year term ending March are bound to pick up markedly due to active domestic demand and brisk exports. The apparent recovery, however, has come rather in the form of the so-called quantitative boom with sales increasing conspicuously but earnings failing to register corresponding gains. On the basis of figures so far available, the total profits of key industries for the term under review (exclusive of shipping, coal and property insurance) are estimated at ¥66,522 million, up by 12.8% over ¥58,988 million for the preceding half-year term and by 31.1% over ¥50,729 million the corresponding term in 1955. The estimated profit rate for the term, thus, stands at 48.0% against paid-up capital. The dividend rate is also estimated to climb to 14.4% as more firms are expected to raise or revive dividends. With few companies likely to increase capital, the impact of capital expansion will be slight for the term under review, although sizable capital boosts are expected after the close of the next term ending Sep-

tember.

Gainers:—Leading the group of industries which apparently have made good showing for the term ending March are nonferrous metals, iron-steel, shipbuilding, shipping, coal, automobile and commerce. Among nonferrous metals, copper, nickel and aluminium have particularly forged ahead, although some copper firms have been obliged to curb production increases because of the extraordinary hike of the prices of imported copper ore and scrap. The notable stiffening of the domestic electrolytic copper market has enabled electric wire-cable companies to enjoy bigger sales, but their earnings have not made a corresponding gain. Steel manufacturers are well in the boom as exports have continued active, but their production increase drives have apparently hit the ceiling, and a further boost in production is feared to invite the speculative price hike of iron ore and scrap. The raw materials consideration bans unconditional optimism. The rising prices of steel materials and underequipment also brake smooth sailing for ship-builders. In sum, industries specializing in secondary processing or manufacturing finished metal items (including parti-

cularly machinery and tools) are subject to the risk of the rising prices of raw materials and the cheaper prices of their products. For all the handicaps in view, the continued briskness of exports and the downward trend of money rates are giving a dual spur to commercial houses handling bulky transactions.

Losers:—The business front, however, is not uniformly fair for all lines. For instance, banking, for years among the top gainers, has begun to recede. Bank loans have continued rising but any gain on that account has apparently been counterbalanced by dwindling interest income under the lower money-rate policy. Exports, however, regard this as a sign of economic stabilization.

Petroleum refining and sugar, two other leaders:

Petroleum and sugar, fair gainers for several terms in the past, have also dropped off the top list as their business results have begun to mark time or slip. For petroleum refiners, the sharply rising rate of tankers is a cardinal handicap, another instance of the higher cost of raw materials and the lower price of products. Sugar refiners are suffering from heavy "drawbacks" to the Treasury (estimated at ¥3,000 million) which they had to pay. Domestic sugar prices are also on the wane. Cement, another fa-

1. RECENT BUSINESS SCORE-TABLE

Industry	No. of Firms	Business Results Ending March, '55			Business Results Ending Sept., '55			*Business Results Ending March, '56		
		Declared Profits (A)	Profit Rate (%)	Dividend Rate (%)	Declared Profits (B)	Profit Rate (%)	Dividend Rate (%)	Declared Profits (C)	Profit Rate (%)	Dividend Rate (%)
Textiles	18	5,029	58	17	5,764	65	17	6,278	71	16
Paper, Pulp	14	3,101	53	19	3,950	66	17	4,082	68	16
Elec. Power	3	1,874	9	12	2,169	13	12	2,183	13	12
Rys., Transportation	18	3,403	30	13	3,407	29	12	3,539	34	13
Brewing, Flour, Edible Oil	8	2,479	94	16	2,406	87	15	2,688	97	16
Sugar Refining	6	1,324	126	30	1,132	106	28	1,010	95	29
Confectionery	5	855	76	19	636	51	16	580	46	16
Fisheries	2	459	47	17	521	35	15	575	38	15
Chemicals	36	3,434	39	14	4,524	48	15	5,070	47	15
Pharmaceuticals, Rubber	11	1,362	47	14	1,514	59	15	1,504	58	15
Cement, Ceramics	11	2,713	89	17	2,742	62	14	2,258	51	16
Mining	18	2,957	34	12	3,422	42	13	4,525	54	17
Petroleum	6	4,101	88	22	4,434	72	20	4,160	64	21
Iron-Steel, metals	34	2,751	12	8	4,924	27	8	7,913	39	10
Flec. Wires, Cables	7	132	4	9	717	21	12	991	28	11
Precision Machines	15	685	39	11	616	34	10	759	39	11
Elec. Machines	21	4,125	38	17	3,845	33	16	4,575	37	15
Ind. Machines, Rolling Stock	23	101	—	6	39	1	6	455	17	7
Automobiles	20	1,233	36	11	1,970	58	10	1,987	51	11
Shipbuilding	8	1,385	16	8	2,240	25	9	2,390	27	8
Commerce, Trade	13	1,676	36	13	2,425	47	13	2,837	50	14
Dept. Stores, Amusements	5	297	50	19	233	37	15	295	46	18
Real Estate	11	744	40	14	715	37	13	902	38	13
Banking	6	4,175	70	12	4,161	70	12	4,390	62	11
Miscellaneous	12	536	40	15	482	37	13	578	42	15
Total or Average	331	50,729	46.8	14.6	58,988	46.4	13.8	66,522	48.4	14.4

* Estimated figures.

Notes: 37 insurance, coal & shipping firms excluded from the total of 331 companies. Value in million yen.

vorite of the commodity market, is also bound to slip from the top group in the term ending March, as the domestic demand declined during the winter season and the prices consequently have dipped. A state of overequipment is particularly notable in this industry. Flour milling and confectionery have also passed the peak.

Here are the prospects of some major industries which are expected to fare better in 1956.

Nonferrous metals:—The 1956 outlook appears unconditionally bright for all nonferrous metals, particularly copper and nickel. The price of copper, already raised at the close of the preceding term ending September, was lifted again successively in January and February, this year until the average per-ton quotation for the term ending March this year has climbed to ¥336,000, up about ¥60,000 over the average for the preceding term. Hence, larger earnings are guaranteed for the majority of copper concerns with the exception of some depending on the high-costing imported ore or scraps. Equally stiff is the nickel market with nickel issues steadily coming into the limelight on the securities market. Lead is bound to make better showing in the wake of the January price lift while zinc is destined to mark time. Pyrite, too, is in the so-called "quantitative boom" on the spur of the larger fertilizer output and production of sulphur has continued hiking. Thus, larger earnings are expected certain for copper specialists like Mitsubishi, Sumitomo, Japan Mining and Dowa with the first two likely to boost dividends. Shinkogyo Kaihatsu, engaged exclusively in marketing copper ore, will also lift the dividend rate.

Iron-Steel:—Steel is another metal industry for which fair earnings are promised for the term ending March. The "Big 3" (Yawata, Fuji and Nippon Steel Tube) and other leading manufacturers during the half-year term ending September last year were doubly benefited as sales increased markedly and the hike of market prices far eclipsed the boost of production costs. It appears that this boom has continued into the current term although the expansion of sales has apparently marked time. Smaller interest payments will further increase earnings for Yawata and Fuji. Smaller manufacturers depending on open-hearth furnaces, long in depression, will also be better off for the term under review, although their earnings may not be big enough to enable them to revive dividends. Mitsubishi

Steel, so far passing dividends, is expected to resume a 10% dividend for the term under review. The situation is equally favorable for special steel manufacturers.

Shipbuilding:—Comfortable earnings are also in store for shipbuilders for the current term. The business of Japanese shipbuilders in recent years largely consists of two sources; namely, orders by the Defense Agency and orders from overseas customers. Export ships are comparatively low-priced almost to the point of "sacrifice" sales and equally low are the prices of vessels delivered to the Defense Agency. Nevertheless, during the current term, bulky orders have been placed both by domestic and foreign sources and fair increases in earnings are likely for many shipbuilders, except Mitsubishi-Nippon Heavy Industries which, with a large backlog of orders, is facing a crisis due to a procrastinated strike.

Automobiles:—With the half-year term ending March, 1955 as the bottom, the automotive industry has been making a steady recovery. The recovery of the term ending September last year was largely attributable to the bulky deliveries of passenger cars as the importation of foreign cars have been almost suspended. The situation, however, is not unconditionally favorable for all makers, as a severe competition is bound to take place among leading makers for the manufacture of the so-called "national cars" (low-priced, popular cars). The leaders such as Nissan and Hino Diesel continue fair with the certain prospects of capital expansion (50%) and unchanged dividends (20%). Minsei is recovering steadily after having been placed under the aegis of Nissan, and Japan Internal Combustion Engine, a representative tricycle specialist, is expected to revive its dividend (10 or 12%). Minor manufacturers will continue depressed due to the advance of the prices of steel materials.

Shipping:—Shipping is in the boom for the first time since the Korean War, as freight rates (both for freighters and tankers) have been on the climb. The results of shipping concerns, already recovering during the term ending September last year, are expected to swell further for the term ending March with some of the firms planning dividend revivals.

Coal:—Better showing is also likely for coal. The 1955 coal deliveries (ending April, 1956) are expected to exceed the original goal of 43,000,000 metric tons by

about 10% and inventories are bound to drop 600,000 from a year ago. With demands active and miners well abiding by the so-called "gentlemen's agreement" (calling for a rational production restriction), the market will continue stiff and the coal price per ton is likely to hike by ¥100-150 during the term under review over the last term. Hence, many coal firms are expected to revive dividends.

Commerce:—Commercial houses are reporting better results as exports have continued swelling and domestic sales are rising. Earnings for the current term (ending March) may not be big enough to enable dividend hikes but financial conditions of many commercial houses are certain to improve further.

Soda:—Soda is bound to continue fair at least for some time to come, as demands are steadily increasing due to the recovery of paper, pulp and glass and a new boom for chemical textiles. Dividends for the current term may remain intact but many firms will boost capital during the new term starting April.

Elec. Cables:—Increased earnings (by about 30% over the preceding term) are predicted for electric wire-cable manufacturers for the term under review and brisk equipment investment is likely.

Ceramics:—Better results are likely for refractory bricks, pottery and insulators. The rise of fire bricks is due to the steel boom while Chinaware and insulators are enjoying larger exports. Larger earnings appear certain for Shinagawa Fire Brick, Nippon Gaishi and Nippon Tokushu To-gyo with the increasing prospects of capital expansion.

On the other hand, a general flattening-out is considered likely for some other key industries. To such a group belong paper-pulp, fertilizers, electric railways, pharmaceuticals, non-life insurance, and textiles. Paper-pulp may make better showing for the term ending March but earnings are bound to taper off while fertilizers will zigzag with the exception of superphosphate of lime which is to slip. Electric railways will recover from the depression in the first three quarters of 1955, but the rebounding won't be big enough to improve the results for the term under review to any appreciable degree. The outlook, however, is bright in case the lift of fares is realized. In the textile branch, chemical fibres will be better off. A shakedown is considered inevitable for petroleum, cement, banking, flour milling and sugar.

Book Review**World Commerce and Governments**

by W.S. and E.S. Woytinsky pp. 907, 291 tables, 102 maps, 64 graphs. \$10.00

Twentieth Century Fund, New York 1955

This is a companion volume in the sequence of "World Population and Production," 1953, which dealt principally with the world production. The present book deals mainly with the commerce of the world production. "Die Welt in Zahlen", (7 Bde, 1925-28, Berlin,) which made the author famous thirty years ago, treated the world economy in the post-World War I years. The recent two volumes, showing a panoramic picture of the world economy of the post-World War II years, can be regarded as the monumental life works of the economist Woytinsky now in his seventies.

The author wrote the first volume from the viewpoint that technological progress accelerates the economic development of the world, and eventually promotes the happiness of mankind. In this volume, based on the thesis that commerce played a decisive role in the history of the contemporary world politics and economy, the volume composition and pattern of the world commerce are first treated, followed by a study of transportation and governments and world organizations as the background factors of trade. In each of these parts, the course of historical developments is skilfully presented and followed by accurate comments on the prospects for the present and the future.

In the first four chapters (Trade in the World Economy, The Value and Volume of Foreign Trade, Direction of World Trade, The Composition of Foreign Trade) of Part I, the principal body of the volume, world trade in its various aspects are minutely analyzed. Then, in the remaining two chapters (Balances of Payments and International Investments; Tariffs, Trade Agreements and Trade Restrictions), problems arising from World Trade are discussed. Especially interesting is the chapter on Tariffs, in which the last paragraph is devoted to a study of non-tariff trade restrictions.

In Part II, Transportation, there is vivid historical description of the development of transportation. Through the treatment of Transportation, various types of economy and economic institutions are interestingly described. Naturally large space is given especially to the present and the future of Air Transportation.

In "World Population and Production" the first of the two volumes, the author starts with natural, social environments of human beings, the preconditions of economic life, and after proceeding to population, agriculture, mining and manufacturing, ends up with chemical industry. The author describes stage after stage in the process from natural resources to industries. In this book, the second volume, the author starts with analyses of Trade and winds up with discussion of Governments.

In Part III, consisting of six chapters, Nations and Governments, the first, and Colonial Empires and International Cooperation, the last, are the chapters of special interest. Colonialism has been abolished as a political institution, but its political and economic impacts cannot be evaluated in simple terms. The problems remaining in the areas which were under colonialism will have tremendous effects upon the international politics in the future.

In the chapter, International Cooperation, large space is given principally to the foreign aids by the United Nations and its various agencies and the United States.

The authors visited Japan last year when the Japanese ver-

sion of his "World Population and Production" was published. The authors worked from 9 in the morning until 11 at night everyday for seven years to finish these two volumes. Mr. Woytinsky, who surprised Tugan-Baranowsky by writing "Market and Price," his first publication at the age of 18, had from the first the positivist tradition in the Russian economist circle to trace the economic trend with sufficient statistical data. Few can compete with him in the art of finding facts with the aid of statistics and other materials. The authors' synthetic ability to orient each fact analyzed in the whole perspective and their brilliant imagination peculiar to the Russians would surprise the reader. It is probably due to these qualities of the authors that the description in each part of this book is easy to understand. A comment in a certain American paper that the work, "a study massive in its completeness, and brilliant in its organization and presentation," is not certainly besides the mark.

(T. Naoi)

Keisha Ginko Hachijunen-shi 1868-1955—(Corporations & Banks in 80 Years) (in Japanese) pp. 646 with 25 Tables.

Edited and published by Toyo Keizai Shinpo-sha, Nihonbashi, Tokyo. December, 1955

This voluminous book describes the development of industrial Japan through the history of Japanese corporations and banks during the past eighty years. The work falls into three parts: I, General History of the Development of Corporation Enterprise; II, History of Corporations by Industrial Group; and III, Chronology of Corporations and Corporation Statistics.

Part I is a concise history of the corporate development of modern Japan which tells the story of the nation's industrial growth. In this general introduction to the subject written by Mr. Yoshio Togai, Chapter 8 describing the mobilization of private companies in the war-time economy and Chapter 9 in which the dissolution and revival of the Zaibatsu are treated, are particularly valuable. The section is one of the few available sources of information on these subjects.

In Part II, the principal part of the volume, 1,000 companies in 56 major industries are selected for historical examination from their establishment to the present. This colorful portrayal of the entire range of principal Japanese industries is anything but a dry summary of each representative company's history. On the contrary, even a casual reader will find in this almost inexhaustible fund of information many delightfully interesting descriptions.

For instance, one can find a story of the development of Tokyo's suburbia and its satellite cities in the history of a railway company as it measures the progress of Japan's ever-growing metropolis. If one turns the pages in another industrial section, one will see how one of the biggest concerns in our fishing industry recovered from the disastrous losses it sustained when its vital fishing grounds in the Kurile Islands, Kamchatka and Sakhalin were forfeited to Soviet Russia. Already in 1953, the company was exporting most of the 38,400 boxes of canned salmon and trout of that year's fishing operation in the Northern waters, as well as satisfying domestic demand.

Part III consists of a highly detailed chronology of the growth of Japanese Companies and statistics of industrial corporations,—all prepared with painstaking care.

Those who have become acquainted with the outline of Japan's industrial evolution through an introductory work such as Prof. G. C. Allen's "A Short Economic History of Modern Japan," will find the present volume one of the best supplementary sources of information to bring their knowledge of Japan's economy up to date.

(M. K.)

1. Business Indices

Year & Month	Bank of Japan Account (1) (In million yen)			Postal Savings (2) (In mil- lion yen)	Monthly Report of All Banks (1) (In million yen)		Tokyo Stock Prices (3)			
	Note issues	Loans	National Bond Holding		Deposits	Advances	Dow Jones	Simple Arithmetic Mean	Turnovers (In million issues)	Interest Yield (%)
1947 av.	187,560	43,906	81,838	51,452	168,572	136,843	—	—	60,000	—
1948 , , , ,	241,510	54,238	187,157	59,573	326,417	246,159	—	142,000	—	—
1949 , , , ,	306,012	77,792	182,339	92,694	136,855	494,481	149.95	128.66	255,934	▲ 6.77
1950 , , , ,	321,873	123,251	143,683	134,232	893,077	820,526	101.87	74.01	512,110	▲ 9.53
1951 , , , ,	405,318	179,502	117,883	168,284	1,274,448	1,241,180	136.10	93.80	821,259	▲ 11.91
1952 , , , ,	453,294	241,134	143,472	219,361	1,816,619	1,808,130	245.67	124.08	2,002,637	▲ 9.85
1953 , , , ,	508,276	307,490	190,336	288,953	2,371,556	2,391,795	390.90	156.05	2,091,539	▲ 7.44
1954 , , , ,	519,697	365,477	250,447	377,907	2,749,568	2,830,895	340.79	110.94	1,238,495	▲ 9.44
1955 , , , ,	524,563	170,380	432,381	466,592	3,287,086	2,990,186	374.00	108.17	2,505,298	▲ 7.96
1954										
August	521,724	406,279	193,934	394,464	2,715,272	2,750,823	339.28	107.33	91,671	9.52
September	515,346	389,845	200,379	400,241	2,825,818	2,785,488	352.76	110.59	109,187	9.48
October	529,814	356,769	288,562	408,878	2,789,463	2,807,740	340.50	104.91	88,738	10.35
November	542,187	298,945	378,177	413,451	2,884,513	2,885,702	324.51	97.74	89,334	9.74
December	622,061	243,374	483,573	422,881	3,036,687	2,911,968	337.14	101.50	131,267	8.87
1955										
January	561,410	236,793	441,003	445,709	3,001,309	2,893,528	370.74	110.40	213,101	8.47
February	546,922	262,094	399,133	449,897	3,024,696	2,908,920	374.82	110.50	215,731	8.38
March	530,703	252,131	482,238	445,253	3,161,431	2,926,600	354.69	99.94	117,061	8.79
April	550,533	205,154	429,798	444,624	3,139,498	2,923,782	351.39	97.00	99,146	8.86
May	522,201	204,974	408,378	450,358	3,195,634	2,937,268	349.83	96.49	104,623	8.49
June	532,674	211,814	374,112	457,480	3,218,722	2,959,475	354.47	102.22	142,147	8.35
July	537,881	184,426	384,445	472,007	3,257,274	2,986,291	355.56	105.29	145,212	8.02
August	540,848	164,416	413,333	476,731	3,304,048	2,999,230	377.48	111.85	261,722	7.52
September	529,846	143,456	393,214	479,439	3,462,719	3,030,147	386.16	113.88	220,764	7.60
October	549,348	83,091	461,140	487,648	3,425,794	3,086,057	401.47	116.60	314,075	7.15
November	559,346	64,233	448,116	489,146	3,529,491	3,084,806	401.53	116.46	290,766	7.35
December	673,890	31,978	553,659	500,814	3,724,382	3,195,818	409.81	117.41	383,950	6.92
1956										
January	582,809	28,139	483,291	..	..	..	426.40	121.83	△ 357,092	6.92
Ag. Previous Month (%)	↔ 13.5	↔ 12.0	↔ 12.7	↔ 2.4	↔ 5.5	↔ 3.6	↔ 4.0	↔ 3.8	↔ 7.0	0
Ag. Corr. Month in 1955 (%)	↔ 3.8	↔ 88.1	↔ 9.6	↔ 11.8	↔ 22.6	↔ 9.7	↔ 15.0	↔ 10.4	↔ 67.6	↔ 19.3

Year & Month	Tokyo Wholesale Prices (1) Total Average		Tokyo Retail Prices (1) July, 1914=100	Export & Import Price Indices (1) (July, 1949-June, 1950=100)		Cost of Living Tokyo (4) (Oct., 1946=100)	Consumer Prices (5) (1951=100)		Average Monthly Expenditure Per Household (5)	
	1952=100	1934-1936 =100		Exports	Imports		Tokyo	All Cities	All Cities	Tokyo
1947 av.	—	4,815.2	7,811.5	—	—	236.1	42.7	38.2	4,684	5,469
1948 , , , ,	—	12,792.6	22,912.6	—	—	472.9	74.0	69.9	8,780	10,606
1949 , , , ,	—	20,876.4	37,283.7	—	—	607.9	92.7	92.2	11,885	14,092
1950 , , , ,	—	24,680.7	36,628.7	115.6	107.8	541.1	86.1	85.9	11,980	14,134
1951 , , , ,	—	34,253.1	47,411.9	165.5	136.3	637.4	100.0	100.0	14,410	16,138
1952 , , , ,	100.0	84,921.5	46,188.0	134.9	122.1	681.9	104.2	105.0	17,862	19,741
1953 , , , ,	100.4	35,157.3	47,446.1	127.9	110.1	782.1	112.0	111.9	22,113	25,138
1954 , , , ,	99.7	34,926.0	50,400.9	123.0	105.7	850.2	118.1	119.1	22,678	26,517
1955 , , , ,	97.9	34,301.9	49,296.8	123.5	106.6	874.7	116.4	..	..	..
1955										
February	98.9	34,649.3	50,921.3	122.0	107.6	859.5	117.0	119.0	19,518	22,808
March	99.2	34,754.4	50,562.4	123.6	106.9	857.1	116.4	118.4	22,576	26,714
April	98.3	34,439.1	50,310.4	124.5	106.1	865.0	118.2	119.1	22,475	26,431
May	97.5	34,158.8	49,888.5	123.8	106.8	861.9	117.0	118.2	22,200	25,800
June	96.7	33,878.6	49,429.3	122.4	106.1	865.0	116.2	117.6	21,965	26,349
July	97.0	33,983.7	48,245.6	123.4	107.2	847.7	115.1	117.0	23,490	30,351
August	97.5	34,158.8	48,502.2	124.0	107.4	833.6	116.3	117.8	22,401	25,256
September	97.7	34,228.9	48,555.1	123.8	105.6	882.9	115.6	117.4	21,905	25,910
October	98.0	34,334.0	48,382.9	123.3	104.9	829.7	117.5	119.0	23,233	27,641
November	97.8	34,263.9	48,053.6	125.4	106.2	882.1	115.5	115.9	23,149	28,293
December	97.9	34,299.0	48,190.6	126.1	105.6	832.9	115.2	..	..	..
1956										
January	..	..	47,855.2	..	..	839.1	..	..	..	..
February	..	..	..	..	..	835.2	..	..	..	..
Ag. Previous Month (%)	↔ 0.1	↔ 0.1	↔ 1.5	↔ 0.6	↔ 0.6	↔ 0.5	↔ 0.1	↔ 2.6	↔ 0.3	↔ 2.4
Ag. Corr. Month in 1955 (%)	↔ 0.2	↔ 0.2	↔ 10.0	↔ 4.8	↔ 1.8	↔ 2.8	↔ 1.0	↔ 2.0	↔ 6.9	↔ 11.2

Sources: (1) Bank of Japan.

(2) Ministry of Postal Services.

(3) Tokyo Securities Exchange.

(4) The Oriental Economist.

(5) Statistics Bureau, Prime Minister's Office.

Notes: ▲ Provisional figures.

▲ Revised at source.

2. Business Indices

Year & Month	Consumption Level (1) (1934-1936=100)			Manufacturing Industry Wages (2)		Employ- ment Indices for Mfg. Industries (2)	No. of Employed (In 10,000) (3)	No. of Un- employed (In 10,000) (3)	E.P.B. Indices (1934-6=100) (1)				
	Total	Urban	Non- Urban	Nomi- nal	Real				Business Activity Indices	Mining Manu- fac- turing	Manufacturing		
											Dur- able	Non- durable	
1947	—	55.4	—	1,580	30.2	100.0	..	..	46.2	37.4	44.9	26.6
1948	—	61.2	—	4,381	48.6	101.0	3,460	24	61.8	54.6	74.7	35.1	
1949	—	56.0	—	7,516	66.3	102.4	3,606	38	76.7	71.0	99.8	47.0	
1950	79.3	69.8	93.5	9,135	85.4	97.1	3,572	44	88.0	83.6	110.0	66.7	
1951	82.7	68.9	103.4	11,708	92.1	104.5	3,622	39	119.4	114.4	164.3	89.2	
1952	96.2	80.2	120.1	13,516	102.3	107.7	3,728	47	131.8	126.4	171.8	104.5	
1953	108.8	94.0	131.0	15,322	107.3	112.7	3,925	45	161.2	155.1	209.9	131.8	
1954	114.7	100.0	136.7	16,307	108.0	118.2	3,958	48	173.5	166.9	213.2	150.3	
1954	—	—	—	—	—	—	—	—	—	—	—	—	
September	105.4	91.7	126.0	14,543	97.8	117.9	3,993	65	169.7	163.5	196.9	151.8	
October	112.3	97.1	135.1	14,578	96.6	117.3	4,159	67	177.6	171.0	200.4	161.1	
November	114.0	96.7	139.9	15,019	102.2	116.6	4,051	62	176.5	170.0	199.9	160.4	
December	160.5	148.6	178.3	25,623	167.0	116.1	▲ 3,864	60	180.0	172.9	204.3	163.5	
1955	—	—	—	—	—	—	—	—	—	—	—	—	
January	114.3	91.7	148.2	15,525	103.5	115.5	▲ 3,610	63	158.9	152.2	182.6	141.5	
February	109.6	93.0	143.6	14,854	100.5	115.1	▲ 3,736	66	169.4	163.0	197.1	151.3	
March	119.8	100.5	148.7	14,700	99.5	115.7	3,984	84	185.2	177.8	219.7	163.9	
April	113.9	97.3	137.8	15,192	101.3	117.8	▲ 4,130	70	181.1	174.1	218.7	160.2	
May	106.0	94.8	122.8	14,902	100.5	117.4	4,315	66	181.5	174.4	218.9	161.1	
June	108.1	101.2	118.4	17,015	116.8	117.0	4,302	68	184.4	177.6	219.0	165.3	
July	121.8	118.9	126.1	19,973	135.7	117.0	▲ 4,243	72	187.1	180.2	216.0	170.6	
August	114.5	95.7	142.7	15,599	108.9	116.8	4,148	71	189.2	182.7	232.2	171.7	
September	114.0	102.4	131.4	14,983	106.4	116.7	4,197	67	193.3	185.3	226.9	175.0	
October	..	104.7	..	15,036	104.7	116.6	4,339	72	194.3	186.9	234.7	171.4	
November	..	111.0	..	15,541	110.7	116.6	4,261	57	▲ 198.0	▲ 190.5	▲ 224.0	▲ 174.0	
December	..	..	..	..	..	..	4,141	57	203.5	195.5	238.8	182.4
Ag. Previous Month (%)	↔ 0.4	↔ 6.0	↔ 7.9	↔ 3.4	↔ 5.7	—	0	↔ 2.8	0	↔ 2.8	↔ 2.6	↔ 0.7	↔ 4.8
Ag. Corr. Month in 1954 (%)	↔ 8.2	↔ 14.8	↔ 4.3	↔ 3.5	↔ 8.3	—	0	↔ 7.1	↔ 5.0	↔ 13.1	↔ 13.1	↔ 16.9	↔ 11.6

Year & Month	Manufacturing Ind. Total (1953=100)		Pro- ducer's Stock Indices		Seller's Stock Indices (5)	Car- loadings Indices (4)	Depart- ment Store Sales (4)	Foreign Trade (6) (In \$1,000)			Foreign Trade Volume Indices (1934-6=100) (1)		Foreign Exchange (7) (\$ 1,000)	
	Piled-up Materi- als Indices (4)	Piled-up Im- ported Materi- als Indices (4)	1953=	1950=				Exports	Imports	Balance	Exports	Imports	Received	Paid
			100	100	1941=100									
1947	—	—	—	—	72.1	1,188.6	173,568	526,130	▲ 352,562	—	—	—	—	
1948	—	—	—	—	82.3	3,036.1	258,271	486,220	▲ 425,949	7.5	17.8	—	—	
1949	—	—	—	—	86.9	5,499.8	509,700	904,845	▲ 395,145	16.1	28.0	—	—	
1950	60.7	40.5	83.2	100.0	87.4	7,690.2	820,055	974,339	▲ 154,284	29.6	32.8	1,008,810	677,207	
1951	82.9	68.6	82.1	83.4	106.2	11,943.8	1,354,520	1,995,039	▲ 640,520	31.4	48.3	2,240,580	1,909,278	
1952	88.3	78.9	100.9	85.5	103.3	15,108.9	1,272,915	2,028,193	▲ 755,278	31.4	54.2	2,288,127	1,924,815	
1953	100.0	100.0	100.0	96.1	105.7	19,818.1	1,274,843	2,409,638	▲ 1,184,795	35.3	74.4	2,120,037	2,313,716	
1954	100.6	96.8	129.4	109.2	105.6	22,193.7	1,629,339	2,399,404	▲ 770,065	46.3	76.6	2,309,264	2,209,296	
1954	—	—	—	—	—	—	—	—	—	—	—	—	—	
October	98.3	92.7	136.4	107.2	107.6	23,147.4	161,811	165,530	▲ 3,719	54.3	63.6	210,686	157,221	
November	94.4	86.7	132.2	103.5	105.1	23,260.4	140,502	150,399	▲ 9,897	49.3	58.3	193,962	146,725	
December	91.8	82.2	126.3	101.7	103.5	49,182.7	190,022	172,945	17,077	68.7	68.4	227,005	144,882	
1955	—	—	—	—	—	—	—	—	—	—	—	—	—	
January	88.3	83.5	112.2	102.3	102.3	17,166.4	119,239	174,318	▲ 55,079	41.6	66.9	191,541	155,644	
February	88.4	83.8	119.8	104.6	103.5	16,150.0	146,665	174,257	▲ 27,592	50.0	66.4	176,575	172,184	
March	89.1	82.1	115.8	108.4	100.6	23,182.9	166,486	227,871	▲ 61,384	58.1	95.2	209,375	167,542	
April	90.9	83.6	119.5	111.3	102.5	22,246.1	152,250	217,591	▲ 65,360	53.3	82.4	206,509	200,153	
May	93.1	86.0	123.2	111.9	102.3	19,786.6	147,798	214,976	▲ 67,178	48.8	78.8	195,346	196,661	
June	99.0	95.8	127.4	109.9	105.8	19,684.9	159,696	213,056	▲ 53,360	54.4	81.7	226,527	173,211	
July	99.3	97.9	130.0	114.3	▲ 105.4	25,837.9	159,933	203,683	▲ 43,750	54.2	77.3	223,334	178,575	
August	98.2	96.2	122.9	126.7	107.9	19,050.5	175,995	207,627	▲ 31,632	59.7	79.0	234,989	187,006	
September	95.9	91.3	118.0	123.2	110.5	16,660.5	176,250	180,411	▲ 4,161	58.8	69.1	257,685	175,727	
October	93.7	86.9	116.5	124.0	▲ 109.7	23,237.0	188,900	203,189	▲ 14,289	65.3	78.9	240,401	171,734	
November	96.3	90.8	115.3	119.0	▲ 111.6	26,135.9	168,306	223,825	▲ 55,519	56.7	87.7	236,594	187,899	
December	97.1	93.5	109.9	109.2	..	249,186	▲ 234,239	▲ 14,947	..	..	..	▲ 268,769	▲ 207,506
1956	—	—	—	—	—	—	—	—	—	—	—	—	—	
January	..	..	..	..	..	..	..	..	..	..	..	..	..
Ag. Previous Month (%)	↔ 0.9	↔ 3.0	↔ 4.7	↔ 4.0	↔ 2.2	↔ 12.5	↔ 40.0	↔ 6.8	—	↔ 13.2	↔ 11.2	↔ 13.6	↔ 10.4	
Ag. Corr Month in 1955 (%)	↔ 5.8	↔ 13.7	↔ 13.0	↔ 15.0	↔ 5.5	↔ 12.4	↔ 25.2	↔ 25.3	—	↔ 15.0	↔ 50.4	↔ 18.4	↔ 43.2	

Notes: [▲] in Foreign Trade means excess in export, while [▲] in Foreign Exchange means excess in payment.

Sources: (1) Economic Planning Board (2) Ministry of Labor (3) Statistics Bureau, Prime Minister's Office (4) MITI (5) Ministry of Transportation (6) Ministry of Finance (7) Bank of Japan.

[▲] Revised at source.

3. Business Indices

(Based on Korea)

(June 1950=100)

Year & Month	Bank of Japan Note Issue (1)	Monthly Report of All Banks (1) (Deposits=100)		Tokyo Stock Prices (2)		Tokyo Wholesale Prices (1)			Consumer Prices (3)		Cost-of-Living Tokyo (4)
		Deposits	Advances	Dow Jones	Simple Arithmetic Mean	Total Average	Producer Goods	Consumer Goods	Tokyo	All Cities	
1954											
February	176.6	303.6	308.7	395.4	188.0	158.1	180.1	134.0	145.2	143.4	170.9
March	171.8	312.6	310.4	368.7	171.8	156.8	178.1	133.0	145.0	143.7	172.0
April	174.8	306.9	309.5	364.0	166.8	153.9	174.6	131.0	145.8	144.2	175.2
May	167.9	313.1	310.6	360.6	164.0	151.3	170.4	129.9	145.2	143.2	174.7
June	171.7	308.9	312.1	368.2	165.6	148.7	166.5	128.6	145.0	144.1	175.9
July	168.4	308.9	314.2	373.6	165.4	147.9	165.8	128.0	145.9	144.8	174.3
August	167.7	312.6	316.7	372.1	161.1	148.5	165.6	129.4	144.2	144.9	173.2
September	165.6	325.4	320.7	386.9	166.0	149.3	165.6	130.6	143.9	144.6	173.0
October	170.3	321.2	323.3	373.4	157.5	149.0	165.5	130.3	145.8	145.9	172.7
November	174.2	332.1	326.5	355.9	146.7	150.4	166.5	131.8	142.8	142.9	172.0
December	199.9	349.6	335.3	369.8	152.4	149.3	164.9	131.3	141.5	142.0	170.9
1955											
January	180.4	345.6	333.2	406.6	165.7	149.8	166.0	131.3	142.8	143.4	173.3
February	175.8	348.3	334.9	411.1	165.9	150.5	168.1	130.7	143.2	143.7	174.9
March	170.5	364.0	337.0	389.0	150.0	151.0	169.2	130.5	142.5	143.0	174.4
April	176.9	361.4	336.6	385.4	145.6	149.6	168.3	129.0	144.7	143.8	176.0
May	167.8	367.9	338.2	383.7	144.8	148.4	166.3	128.6	143.2	142.8	175.4
June	171.2	370.6	340.7	388.8	153.4	147.2	164.9	127.6	142.2	142.0	176.0
July	172.8	375.0	343.8	390.0	158.0	147.6	166.2	127.2	140.9	141.3	172.5
August	173.8	380.4	345.3	414.0	167.9	148.4	167.2	127.6	142.4	142.3	169.6
September	170.8	398.7	348.9	423.5	170.9	148.7	168.1	127.5	141.5	141.8	169.5
October	176.5	394.4	349.5	440.3	175.0	149.2	169.0	127.5	143.8	143.7	168.8
November	179.7	406.3	355.1	440.4	174.8	148.9	169.2	126.8	141.4	140.0	169.3
December	216.6	428.8	367.9	449.5	176.2	149.0	169.5	126.7	141.0	..	169.5
1956											
January	187.3	..	..	467.6	182.8	..	..	..	..	..	170.8
February	..	..	..	..	..	..	..	..	..	..	170.0
Year & Month	Foreign Trade (5)		Export & Import Price Indices (1)		Manufacturing Industry Wages (6)		Employment Indices for Mfg. Industries (6)	E.P.B. Indices (7)			
	Exports	Imports	Exports	Imports	Nominal Wages	Real Wages		Incl. Gas & Electricity	Mining Mfg.	Manufacturing	
								Durable	Non-durable		
1954											
January	143.3	333.3	130.1	104.3	180.0	126.3	107.2	189.7	191.9	200.2	205.6
February	170.5	297.5	130.4	105.3	172.0	119.8	107.0	191.8	194.5	206.0	214.3
March	207.3	360.0	129.1	105.7	169.4	117.8	107.5	208.2	211.0	224.9	223.3
April	193.2	347.0	127.2	105.6	170.5	118.2	110.1	202.8	205.6	212.8	222.6
May	191.5	327.9	125.6	104.7	167.6	116.9	109.2	198.4	200.9	208.4	218.2
June	187.6	268.5	122.3	104.1	206.0	142.9	108.5	197.2	200.0	203.9	219.0
July	215.3	251.7	121.1	103.5	222.5	156.5	107.8	192.9	195.2	197.1	214.2
August	215.0	229.3	120.1	103.5	188.8	126.7	106.8	188.6	191.4	189.2	215.7
September	203.8	220.2	118.5	103.9	170.0	117.5	105.3	197.1	200.1	190.7	228.8
October	245.9	226.8	119.3	103.5	170.4	116.7	105.8	202.3	205.0	193.9	236.0
November	213.5	206.1	119.7	104.7	175.5	122.7	105.2	201.9	204.8	193.8	234.8
December	238.7	237.4	121.0	106.3	299.5	210.9	104.7	204.9	207.2	196.5	238.4
1955											
January	181.2	239.3	121.1	106.8	181.5	126.5	104.0	184.5	186.3	176.6	213.3
February	222.9	239.2	122.7	106.4	173.6	120.7	103.7	196.7	199.5	190.6	228.0
March	252.9	312.8	124.3	105.6	171.8	120.0	140.2	215.1	217.6	212.5	247.0
April	231.2	298.7	125.3	104.9	177.6	123.3	106.2	210.3	213.1	211.5	241.4
May	224.6	295.1	124.0	105.6	174.2	121.9	105.8	210.8	213.4	211.7	242.6
June	242.6	292.5	123.1	104.9	..	141.6	120.6	214.2	217.4	211.8	249.0
July	243.0	279.6	124.2	106.0	..	170.8	120.6	217.3	220.6	208.9	256.9
August	267.8	283.5	124.7	106.2	..	132.5	120.3	219.7	223.6	215.9	258.6
September	268.2	247.7	124.5	104.5	..	127.7	120.3	224.5	228.3	219.4	263.6
October	287.0	278.9	124.0	103.8	..	126.5	120.2	225.7	228.7	227.0	258.2
November	255.7	307.2	126.2	105.0	..	134.2	120.2	230.0	233.2	232.5	262.1
December	378.6	321.6	126.9	104.5	..	..	..	236.3	239.3	230.9	274.7
1956											
January	226.9	299.7	..	..	..	..	..	..	..	..	..

Note: The various statistics above have been recalculated by The Oriental Economist on the basis of June 1950. ^ Revised at source.

Source: (1) Bank of Japan. (2) Tokyo Securities Exchange. (3) Statistics Bureau of Prime Minister's office. (4) The Oriental Economist survey of 157 items calculated by weighted arithmetic means. The cost of living index base which was based on November, 1947 and calculated according to 57 items, has been later revised to July, 1950 with 131 items and further from August, 1953, the items were enlarged to 157. (5) Ministry of Finance. (6) Ministry of Labor. (7) Economic Planning Board.

4. Bank of Japan Ten-day Report

(In million yen) (Bank of Japan)

5. Accounts of Member Banks of the
Tokyo Banking Association

(In million yen) Tokyo Banking Assoc.

	1956					1956			
	1955	Dec. 31	Jan. 10	Jan. 20		1955	Dec. 31	Jan. 10	Jan. 20
									Jan. 31
LIABILITIES					Deposits				
Bank Notes Issued	673,891	683,524	557,590	582,810	Current Deposits	291,951	117,977	119,915	283,969
Government Deposits	2,099	60,150	57,647	51,880	Ordinary Deposits	187,098	178,767	179,839	135,038
Bankers' Deposits	50,779	3,359	3,689	4,054	Deposits at Notice	139,002	128,672	125,464	119,970
Other Deposits	31,581	41,703	38,764	36,128	Time Deposits	360,393	361,616	365,014	366,886
Inter-Bank Remittance Deposits	31,466	19,894	19,980	22,302	Instalment Savings	19,360	19,271	19,269	19,684
Reserves Against Contingencies	25,615	25,615	25,615	25,615	Deposits for Tax Payment	2,608	2,561	2,879	2,470
Other Liabilities	32,549	31,025	30,506	32,241	Gov't Deposits	107,638	107,828	108,806	108,449
Capital Stock	100	100	100	100	Other Deposits	42,096	35,818	28,418	46,008
Reserve Funds	13,473	13,473	13,473	13,473	Total	1,150,145	982,511	949,603	1,132,473
Total	861,553	778,842	747,364	768,602	Advances				
ASSETS					Loans on Bills	568,889	558,091	561,078	570,421
Bullion	448	448	448	448	Loans on Deeds	166,791	166,599	167,745	168,985
Cash	2,794	2,829	3,017	3,197	Overdrafts	3,620	4,248	4,434	4,259
Discounted Bills	14,153	6,092	5,592	8,676	Discounted Bills	366,403	347,614	342,426	360,349
Loans	17,825	7,552	16,729	19,464	Total	1,105,703	1,076,553	1,075,682	1,104,014
Foreign Exchange Loans	12,738	12,507	12,173	11,960	Advances against Import Bills				
Government Bonds	553,660	503,743	466,244	483,292	Settlement Funds	39,940	40,345	44,985	43,829
Advances to Government	1,250	1,250	1,250	1,250	Call Loans	22,467	24,196	22,299	24,138
Foreign Exchange Accounts	184,844	184,963	184,750	184,298	Securities				
Agencies Accounts	8,692	8,200	11,025	9,148	Government Bonds	25,672	31,362	33,990	27,376
Inter-Bank Remittance	35,622	13,384	18,339	17,617	Local Bonds	9,559	9,559	9,581	9,910
Other Assets	29,528	27,875	27,795	29,252	Corporate Debentures	121,867	121,793	122,542	124,972
Total	861,553	778,842	747,364	768,602	Stock and Other Bonds	28,155	28,239	28,535	29,042
					Total	185,253	190,953	194,648	191,300
					Cash in Hand				
					Cash	6,504	7,739	8,223	7,881
					Checks, Bills, etc.	198,041	32,282	40,452	193,609
					Total	204,545	40,021	48,676	201,490
					Deposits	13,392	8,047	7,124	8,930

6. Monthly Report of All Banks

(November, 1955: Excluding Bank of Japan)

(In million yen)

(Bank of Japan)

	All Banks					Compared with end of pre. mo.	Trust Account (17)
	Debenture Issuing Banks (2)	Eleven Big Banks (13)	Local Banks (65)	Trust Banks (6)	Total (86)		
Deposits							
Current Deposits	10,420	473,818	197,683	31,568	623,491	605,061	—
Ordinary Deposits	5,676	425,964	174,506	13,490	719,637	709,628	—
Deposits at Notice	18,341	159,625	39,022	21,062	238,051	234,976	—
Time Deposits	8,745	947,857	542,918	27,451	1,526,974	1,507,955	—
Special Deposits	3,802	118,856	37,349	6,569	166,578	115,926	—
Instalment Savings	—	82,382	91,812	37	124,213	123,660	—
Deposits for Tax Payment	166	5,573	2,217	371	8,329	9,936	*127,977
Deposits of Gov't and Gov't Agencies	2,340	119,022	—	—	121,362	117,645	**112,152
Other Deposits	—	939	—	—	939	958	—
Total	49,494	2,284,021	1,095,510	100,551	3,529,577	3,425,749	—
Borrowed Money	488	100,801	4,298	779	106,367	128,824	—
Borrowings for Settlement of Import Bills	—	15,370	37	113	15,521	17,811	—
Call Money	—	76,592	6,966	804	84,363	84,034	—
Cash and Deposits							
Cash in Hand	9,210	359,005	69,292	17,768	455,277	436,935	932
Deposits with Domestic Money Organs	980	21,046	22,964	1,442	46,433	38,876	3,523
Total	10,190	380,051	92,256	19,210	551,710	475,811	4,455
Call Loans	9,171	5,604	24,636	1,802	41,213	32,757	15,699
Securities							
Government Bonds	1,055	33,825	10,841	779	46,501	46,068	497
Local Government Bonds	929	16,822	11,101	232	29,086	28,481	540
Foreign Bonds	384	2,477	—	—	2,862	2,961	11
Corporate Debentures	6,442	193,705	153,272	4,583	358,004	348,007	2,029
Stocks	3,859	34,134	13,430	1,806	53,231	51,247	1,178
Other Bonds	1	233	1,153	131	1,519	837	11
Total	12,673	281,199	189,799	7,533	491,205	477,604	4,268
Advance							
Discount Bills	12,524	725,854	274,587	56,918	1,069,885	1,066,094	20,542
Advances against Real Estate	203,800	176,882	124,330	1,934	506,947	502,217	—
Advances against Securities	1,409	37,743	16,977	552	56,683	54,854	—
Other Secured Advances	11,523	149,393	123,829	4,714	289,460	293,936	—
Advances against Guarantee	11,433	217,569	202,476	776	432,255	417,334	—
Unsecured Advances	77,296	430,078	182,117	19,467	658,960	632,864	—
Overdrafts	20	10,050	11,369	289	21,729	21,049	—
Total	305,482	1,021,718	611,102	27,733	1,966,036	1,922,257	196,291
Loans for Settlement of Import Bills	1,483	45,401	877	1,196	48,958	47,705	—

Note: * Money in trust total. ** Loan trust. △ Decrease.

7. Bank Clearings

(In billion yen)

(Tokyo Clearing House)

8. Dishonored Bills

(In million yen)

(Tokyo Clearing House)

Year & Month	All Clearing Houses		Tokyo		Osaka		Of which, Transactions with Bank Suspended							
	No. of Bills	Amount	No. of Bills	Amount	No. of Bills	Amount	Tokyo		Osaka		All Clearing Houses		Tokyo	
							No. of Bills	Amount	No. of Bills	Amount	No. of Bills	Amount	No. of Bills	Amount
1955: Apr. ..	(1,000)	(1,000)	(1,000)	(1,000)	39	3,347	29	2,196	6,400	409	1,951	127		
May ..	10,083	2,655	4,036	2,025	592	44	3,582	31	2,331	7,436	504	2,364	166	
June ..	10,541	2,567	4,211	2,128	599	40	3,821	30	2,352	6,364	478	1,999	205	
July ..	11,258	2,640	4,426	2,238	631	40	3,537	29	2,334	6,584	439	2,034	164	
Aug. ..	10,462	2,516	4,255	1,774	583	46	4,067	37	2,742	7,181	463	2,051	141	
Sept. ..	10,986	2,711	4,312	1,289	631	44	3,626	34	2,608	6,515	413	2,004	137	
Oct. ..	10,588	2,906	4,173	1,354	676	48	3,816	37	2,640	7,351	461	2,275	160	
Nov. ..	10,731	2,853	4,285	1,326	656	49	3,820	36	2,290	7,156	490	2,052	147	
Dec. ..	11,016	2,822	4,392	1,318	649	48	3,696	36	2,281	7,009	469	2,156	178	
1954: Dec. ..	15,064	3,643	5,939	1,701	819	44	4,734	33	2,608	7,867	511	2,329	187	
1954: Dec. ..	13,230	3,086	5,224	1,409	651									

9. Postal Savings & Postal Transfer Savings

(In million yen) (Ministry of Postal Services)

10. Average Yields of Debentures

(Industrial Bank of Japan)

End of Month	Postal Savings				Postal Transfer Savings	Total	Month	Gov't Bonds	Financial Debenture		Industrial Debenture
	Receipts	Pay- ments	Balance	Six Major Cities					Interest Bearing	Discount	
1955: June ..	41,411	34,298	457,480	153,640	4,966	462,446	1955: Apr. ..	—	%	%	%
July ..	47,878	33,351	472,007	159,832	6,214	478,221	May ..	—	8.522	7.106	8.998
Aug. ..	41,112	36,388	476,731	161,316	5,950	482,681	June ..	6,342	8.500	7.054	9.001
Sept. ..	40,151	37,443	479,439	161,959	7,583	487,221	July ..	6,354	8.500	7.054	9.006
Oct. ..	* 44,136	* 35,928	* 487,648	163,366	6,446	* 494,094	Aug. ..	6,362	8.500	7.054	9.000
Nov. ..	36,796	35,295	* 489,149	162,746	6,772	495,921	Sept. ..	—	8.500	7.054	8.992
Dec. ..	48,467	36,944	500,814	166,629	6,377	507,191	Oct. ..	6,331	8.500	7.054	8.667
1954: Dec. ..	42,540	33,110	422,881	138,873	5,174	428,055	Nov. ..	—	8.500	7.054	8.803
1954: Dec. ..	42,540	33,110	422,881	138,873	5,174	428,055	Dec. ..	6,342	7.918	6,643	8.297

11. Bank of Japan Official Interest Rates

(In sen per diem per ¥100)**

12. Interest Rates for Advances by Member Banks

(In sen per diem per ¥100) (Tokyo Banking Assoc.)

Revised on	Commer- cial Bills	Against Gov't. Bonds *	Advance Against Securi- ties other than Gov't Bonds	Over- draft	Year & Month	Loans on Deeds		Loans on Bills		Overdraft		Discount Bills	
						High	Low	High	Low	High	Low	High	Low
1932: Aug. 18	1.2	1.3	1.4	1.6	1955:	3.30	2.60	3.30	1.80	3.00	2.00	3.30	2.10
1933: July 3	1.0	1.1	1.2	1.4	Apr.	3.30	2.60	3.30	1.80	3.00	2.00	3.30	2.10
1936: Apr. 7	0.9	1.0	1.1	1.3	May	3.30	2.60	3.30	1.80	3.00	2.00	3.30	2.00
1937: July 15	0.9	0.9	1.1	1.2	June	3.30	2.50	3.30	1.80	3.00	2.00	3.00	2.00
Sept. 21	0.9	0.9	1.1	1.1									
1946: Apr. 9	0.9	1.0	1.1	1.3	July	3.30	2.50	3.30	1.80	3.00	2.00	3.30	2.00
Oct. 14	1.0	1.1	1.2	1.4	Aug.	3.30	2.50	3.30	1.80	3.00	2.00	3.30	2.00
1948: Apr. 25	1.2	1.3	1.4	1.7	Sept.	3.30	2.50	3.30	1.80	3.00	2.00	3.30	2.00
July 5	1.4	1.5	1.6	1.9	Oct.	3.30	2.60	3.30	1.80	3.00	2.00	3.20	2.00
1949: Apr. 1	△ 1.4	1.5	1.6	1.9	Nov.	3.30	2.60	3.30	1.80	3.00	2.00	3.20	2.00
June 2	1.4	1.5	1.6	1.9	Dec.	3.30	2.60	3.30	1.80	3.00	2.00	3.20	2.00
1951: Oct. 1	1.6	1.7	1.8	2.1	1954:								
1955: Aug. 10	2.0	2.1	2.2	2.3	Dec.	3.30	2.60	3.30	1.80	3.00	2.00	3.30	2.10

13. Tokyo-Osaka Call-Money and Its Rates

(Bank of Japan)

14. Interest Rates of City Bank Deposits

(In sen per diem per ¥100) (Bank of Japan)

Year & Month	Tokyo		Osaka		Enforced on	Time Deposits (%)			Current Depo- sits	Ordin- ary Depo- sits at Call	Depo- sits	Other
	Rate	Balance at the End of the Month (million yen)	Rate	Balance at the End of the Month (million yen)		Three Months	Six Months	One Year				
1955: June	1.00	2.00	29,341	1.00	2.00	14,440	—	—	—	—	—	—
July	1.00	2.00	30,183	1.00	2.00	14,130	3.4	—	0	0.5	0.6	0.6
Aug.	1.00	2.00	35,272	1.00	2.00	13,713	3.3	3.5	3.6	0	0.5	0.6
Sept.	1.00	2.00	36,423	1.00	2.00	12,162	3.7	4.0	4.2	0	0.5	0.6
Oct.	1.00	1.80	48,097	1.00	1.80	16,966	3.8	4.2	4.4	0	0.5	0.6
Nov.	1.00	1.60	47,923	1.00	1.60	16,262	3.8	4.4	4.7	0	0.5	0.6
Dec.	1.00	1.80	45,370	..	..	22,027	3.8	4.6	5.0	0	0.5	0.6
1956: Jan.	1.00	1.50	43,649	..	..	16,112	3.8	5.0	5.5	0	0.6	0.7

Notes: △ includes foreign Trade bills. * includes stamp bills, foreign trade bills, etc. from Oct. 14, 1946; and from June 1949 includes financial and other preferential debentures. **HOW TO COMPUTE PER DIEM INTEREST:—In addition to the usual annual rate in percentage, computing interest by per diem rates is widely in use in Japan. This rate is expressed in sen (1/100 yen) as interest per day on ¥100 of principal. To find the usual annual rate from the per diem rate multiply the latter by 365. For example, a diem rate of 1.0 sen on a principal ¥100 gives an interest of 365 sen or ¥3.65 per year or 3.65% per annum.

▲ Revised at source. × Revised.

15. Treasury Accounts with the Public

(In ¥100,000,000)

(Ministry of Finance.)

Items	Fiscal 1954			Fiscal 1955					1956	1955	
	Oct.-Dec.	Jan.-Mar.	Total	Apr.-June	July-Sept.	Oct.	Nov.	Dec.	Oct.-Dec.	Jan.	Jan.
General Account											
Revenue											
Taxes	1,870	1,988	7,709	1,803	1,925	505	518	901	1,926	654	645
Monopoly	214	272	1,137	336	243	33	21	64	118	30	50
Others	70	69	302	105	72	28	41	37	108	29	15
Total	2,154	2,329	9,148	2,244	2,240	566	580	1,002	2,152	713	710
Expenditure											
Defense Expenditure	225	189	860	182	151	110	8	25	143	100	154
Defense Board	201	133	648	159	131	55	48	113	218	38	30
Public Works Expenditure	362	334	1,650	365	320	81	74	223	378	25	65
Local Finance Equalization Grants	357	193	1,493	658	387	188	222	168	530	36	41
Compulsory Education Expenditure	208	143	687	183	159	102	—	123	225	49	58
Others	973	773	3,380	849	706	244	257	493	988	162	193
Total	2,326	1,765	8,718	2,396	1,854	730	609	1,145	2,482	410	541
Balance	▲	172	564	430	▲	152	386	▲	164	▲	330
Special Accounts and Others											
Foodstuff Control	▲	932	641	60	633	▲	583	▲	447	▲	916
Trust Fund Bureau	▲	381	30	▲	856	▲	236	6	▲	64	51
Industrial Investment	7	6	▲	41	4	31	▲	9	▲	20	2
National Railways & Nippon Telegraph and											
Telephone Public Corporation	▲	71	91	▲	123	23	41	38	42	▲	175
Finance Corporation	▲	223	▲	153	▲	637	▲	98	▲	81	39
Others	▲	263	86	1	▲	195	127	▲	112	66	71
Total	▲	1,863	701	▲	1,596	131	▲	459	▲	633	0
Designated Deposits		5	—	38	—	—	—	—	—	—	—
Adjustment Items	▲	6	27	▲	31	▲	145	51	129	10	22
Foreign Exchange	▲	639	▲	239	▲	741	▲	314	▲	513	146
Balance	▲	2,675	1,053	▲	1,900	▲	480	▲	637	▲	867

16. Tokyo Retail Price Indices

(1952 as 100)

(Tokyo Chamber of Commerce)

Year & Month	Total Average	Foodstuffs								Clothings	Building Materials	Fuels & Lights	Sundries
		Staples	Beans & Greens	Diary Products	Marine Products	Seasoning	Processed Foods	Non-Essential Edibles	Average				
1955 Average	105.6	109.7	136.2	107.9	113.0	108.7	118.6	100.6	114.0	83.6	110.5	111.4	90.0
1955: October	106.0	109.5	131.3	109.8	123.9	108.6	113.3	100.9	114.8	83.2	111.2	110.8	90.0
November	103.6	109.0	131.9	109.6	104.1	106.1	113.3	98.2	110.6	83.2	110.8	111.3	90.0
December	104.2	108.2	128.9	109.6	113.8	105.9	113.3	98.2	111.6	82.5	111.5	112.1	90.0
1956: January	105.4	107.6	122.6	108.2	131.2	106.2	113.3	100.6	113.8	82.3	112.6	112.6	90.0
1955: January	107.3	109.3	143.0	110.6	121.1	110.8	116.1	94.0	116.0	83.8	110.4	116.3	90.0

17. Tokyo Wholesale Price Indices

(1952 of 100)

(Bank of Japan)

Year & Month	Total Average	Agricultural Products	Other Foodstuffs	Textiles	Fuels	Metal & Machinery	Building Materials	Chemical Products	Sundries	By Uses		
										Producers Goods	Capital Goods	Consumer's Goods
1955 Average	97.9	119.6	100.3	86.3	101.0	91.8	113.7	82.8	93.5	95.1	101.4	101.6
1955: September	97.7	117.1	99.9	86.2	99.4	93.4	113.0	82.8	94.5	95.4	102.0	100.8
October	98.0	117.5	100.4	84.6	99.7	95.5	113.2	83.2	93.4	95.8	103.5	100.9
November	97.8	116.2	97.6	85.3	103.9	95.7	112.1	83.7	92.9	95.9	103.2	100.4
December	97.9	115.6	98.0	84.8	104.6	96.6	111.9	84.0	92.9	96.1	103.5	100.3
1954: December	98.1	118.9	103.7	87.2	103.3	84.8	117.4	81.8	93.6	93.6	98.7	104.0

18. Tokyo Wholesale Price Indices

(1934-36=100)

(Bank of Japan)

Year & Month	Average	Staples	Other Foodstuffs	Textiles	Fuel	Metals & Machinery	Building Materials	Chemical Products	Miscellaneous
1954 Average	34,929.6	34,794.9	32,807.0	37,446.9	31,031.0	32,259.6	43,844.6	25,980.3	24,751.9
1955 ,	34,301.9	34,768.2	31,967.5	35,551.3	32,375.0	33,234.5	40,424.0	25,206.1	24,633.1
1955: July	33,983.7	34,969.3	31,680.5	35,973.7	31,549.3	32,416.5	39,839.2	25,190.8	24,704.6
August	34,158.3	34,678.6	31,847.9	35,973.7	31,581.4	32,996.1	39,943.9	25,160.4	24,705.8
September	34,228.9	34,039.1	31,847.9	35,520.4	31,869.9	33,829.1	40,192.9	25,221.3	24,863.7
October	▲ 34,334.0	▲ 34,115.4	32,007.3	34,861.1	31,966.1	34,589.7	40,264.0	25,343.1	24,574.3
November	34,263.9	33,777.5	31,114.7	35,149.6	33,312.7	34,662.2	39,872.7	25,495.4	24,442.7
December	34,299.0	33,603.1	31,242.2	34,943.5	33,537.2	34,988.1	39,801.6	25,586.8	24,442.7
1954: December	34,369.0	34,562.3	33,059.4	35,982.5	33,120.4	30,714.2	41,757.9	24,916.7	24,521.7

Note: ▲ Means excess of payments. ▲ Revised at source.

19. Tokyo Retail Price Indices

(July, 1914=100)

(Bank of Japan)

Year & Month	Average	Food	Fuel & Lighting	Clothing	Others
1955: Average	49,296.8	61,163	60,189	32,767	41,999
1955: August	48,502.2	59,501	58,418	32,860	41,984
September	48,555.1	59,581	58,733	33,095	41,837
October	48,382.9	59,038	60,116	32,811	41,937
November	48,053.6	58,181	60,993	32,670	42,016
December	48,190.6	58,606	61,369	32,125	42,090
1956: January	47,855.2	57,750	61,732	32,125	42,098
1955: January	50,570.2	64,185	61,921	33,114	41,483

20. Commodity Quotations & Turnovers

Year & Month	Tokyo Cotton Yarn (20, single, per lb.)									Osaka Cotton Yarn (20, single, per lb.)								
	Current Month (In yen)			Futures (6 months) (In yen)			Turnover (In 100 mai)			Current Month (In yen)			Futures (6 months) (In yen)			Turnover (In 100 mai)		
	High	Low	End of Month	High	Low	End of Month	High	Low	End of Month	High	Low	End of Month	High	Low	End of Month	High	Low	End of Month
1955: June	168.0	166.5	180.0	185.4	169.1	183.9	83	186.7	165.5	182.0	184.1	169.9	184.1	604				
July	188.9	183.1	186.2	189.8	180.0	188.1	69	190.0	180.8	188.3	179.6	187.5	187.5	448				
August	194.5	182.9	194.5	188.4	176.9	185.0	55	189.0	182.3	186.6	186.1	176.5	183.0	411				
September	197.0	189.1	197.0	185.4	176.0	177.0	48	197.5	188.9	197.5	184.5	173.5	175.9	290				
October	206.0	182.0	191.0	175.1	163.6	166.4	110	197.5	179.5	195.0	172.9	162.0	164.3	629				
November	199.9	190.1	199.9	177.5	165.1	174.1	82	198.0	190.0	198.0	175.6	163.1	173.1	526				
December	194.5	179.6	179.6	177.4	165.0	165.5	74	191.0	185.9	186.7	176.4	161.9	165.5	385				
1956: January	185.0	176.0	185.0	176.9	162.9	174.0	77	194.0	175.1	194.0	173.7	155.9	173.6	569				
Year & Month	Tokyo Rayon Yarn (Viscose 120 D. per lb.)									Fukui Rayon Yarn (Viscose 120 D. per lb.)								
	Current Month (In yen)			Futures (6 Months) (In yen)			Turnover (In 100 mai)			Current Month (In yen)			Futures (6 Months) (In yen)			Turnover (In 100 mai)		
	High	Low	End of Month	High	Low	End of Month	High	Low	End of Month	High	Low	End of Month	High	Low	End of Month	High	Low	End of Month
1955: June	187.9	169.1	186.0	187.1	171.1	187.1	249	188.4	172.4	186.0	187.4	172.5	187.4	197				
July	196.5	188.1	191.1	196.0	184.8	195.9	245	195.8	188.4	191.1	195.1	185.3	195.0	208				
August	200.5	189.8	194.0	196.9	186.6	191.1	213	197.0	189.8	194.4	194.8	187.6	190.8	124				
September	196.4	189.5	196.4	193.1	185.8	186.7	116	195.0	189.0	195.0	192.3	186.5	187.6	88				
October	200.9	186.0	200.9	185.0	175.2	181.6	200	194.4	184.7	193.0	186.4	175.7	181.9	160				
November	219.0	196.5	219.0	196.0	181.2	194.0	208	196.8	191.0	196.8	192.1	180.7	191.0	125				
December	229.8	208.9	221.0	207.9	189.0	207.9	355	217.1	196.6	216.4	204.6	186.9	204.6	277				
1956: January	255.0	229.6	236.7	214.0	199.9	201.9	455	245.4	221.1	224.9	205.0	207.9	194.4	403				
Year & Month	Tokyo Spun Rayon Yarn (30s bright, per lb.)									Osaka Spun Rayon Yarn (30s bright, per lb.)								
	Current Month (In yen)			Futures (6 Months) (In yen)			Turnover (In 100 mai)			Current Month (In yen)			Futures (6 months) (In yen)			Turnover (In 100 mai)		
	High	Low	End of Month	High	Low	End of Month	High	Low	End of Month	High	Low	End of Month	High	Low	End of Month	High	Low	End of Month
1955: June	123.1	112.5	121.0	122.6	113.1	122.6	3	122.2	110.7	118.6	125.6	110.0	125.6	43				
July	126.5	123.0	126.2	126.1	123.6	125.3	3	130.0	126.4	128.0	127.4	122.9	126.2	55				
August	134.8	124.9	131.6	130.0	119.0	129.0	3	133.9	125.0	131.0	125.9	120.0	124.1	17				
September	150.0	131.0	150.0	150.0	124.5	129.0	2	137.5	126.2	137.5	129.5	121.0	125.2	14				
October	139.0	137.5	139.0	—	—	—	0	150.0	127.8	150.0	126.0	111.1	124.1	21				
November	138.0	138.0	138.0	—	—	—	—	157.5	143.3	156.0	137.0	123.9	133.2	30				
December	—	—	—	—	—	—	—	150.5	145.0	148.0	138.0	125.5	132.7	19				
1956: January	147.9	145.9	147.9	132.5	130.4	132.5	0.2	156.0	146.1	154.9	135.0	125.1	133.9	22				
Year & Month	Yokohama Raw Silk (20/22 A, per kin)									Kobe Raw Silk (20/22 A, per kin)								
	Current Month (In yen)			Futures (6 months) (In yen)			Turnover (In 100 hyo)			Current Month (In yen)			Futures (6 months) (In yen)			Turnover (In 100 hyo)		
	High	Low	End of Month	High	Low	End of Month	High	Low	End of Month	High	Low	End of Month	High	Low	End of Month	High	Low	End of Month
1955: June	2,170	2,081	2,170	2,110	2,025	2,110	44	2,170	2,032	2,170	2,124	2,034	2,124	27				
July	2,224	2,130	2,167	2,151	2,110	2,144	50	2,210	2,135	2,180	2,153	2,112	2,144	21				
August	2,169	2,115	2,121	2,154	2,103	2,103	38	2,169	2,121	2,144	2,151	2,109	2,109	15				
September	2,119	2,041	2,041	2,129	2,077	2,077	41	2,122	2,059	2,060	2,125	2,075	2,077	18				
October	2,046	1,921	1,931	2,079	2,017	2,046	60	2,053	1,935	1,935	2,079	2,016	2,044	28				
November	1,994	1,921	1,921	2,040	1,981	1,990	46	2,000	1,925	1,936	2,039	1,986	1,991	19				
December	1,960	1,920	1,930	2,009	1,970	1,991	48	1,971	1,926	1,931	2,017	1,980	1,996	24				
1956: January	1,969	1,904	1,904	1,980	1,944	1,944	34	1,990	1,939	1,975	1,910	1,910	1,910	15				
Year & Month	Toyohashi Cocoon (High grade, per 100 momme)									Nagoya Woollen Yarn (48, double, A grade, per lb.)								
	Current Month (In yen)			Futures (6 months) (In yen)			Turnover (In 100 mai)			Current Month (In yen)			Futures (6 months) (In yen)			Turnover (In 100 mai)		
	High	Low	End of Month	High	Low	End of Month	High	Low	End of Month	High	Low	End of Month	High	Low	End of Month	High	Low	End of Month
1955: June	391	364	391	412	368	412	68	1,166	1,096	1,166	1,158	1,066	1,158	388				
July	411	393	393	422	409	416	76	1,190	1,140	1,140	1,173	1,125	1,125	266				
August	403	390	394	424	407	408	61	1,129	1,042	1,048	1,106	1,030	1,040	637				
September	393	361	361	415	388	392	68	1,053	951	962	1,040	953	968	859				
October	375	344	353	395	372	384	92	984	924	932	951	886	888	869				
November	369	354	354	383	327	374	68	1,024	931	964	962	876	957	685				
December	387	350	387	391	365	384	77	1,025	970	970	964	887	912	552				
1956: January	388	365	373	369	349	349	55	1,004	967	1,000	924	871	916	499				

Note: *mai*=cotton yarn•400 lbs., rayon yarn•200 lbs., woollen yarn•100 lbs., cocoon•10 kan (1 kan=8.267 lbs.), rubber•250 lbs., *hyo*=raw silk•99.2 lbs. *kin*=raw silk•160 momme.

21. Exports and Imports by Value and Indices

(1934-36=100 for indices)

Year & Month	Value (In \$1,000)			Value (In million yen)			Export Indices			Import Indices			B/D
	Exports	Imports	Balance	Exports	Imports	Balance	Amount (A)	Per Unit (B)	Volume (A/B)	Amount (C)	Per Unit (D)	Volume (C/D)	
1953 Total	1,274,843	2,409,637	↪ 1,134,795	458,934	867,469	↪ 408,526	...	...	...	...	...	...	...
1954 Total	1,629,236	2,399,404	↪ 770,168	586,525	863,785	↪ 277,260	...	...	...	...	...	...	...
1955: June	159,696	218,056	↪ 53,360	57,491	76,391	↪ 19,209	203.2	374.9	54.2	260.7	319.4	81.6	117.4
July	159,933	203,683	↪ 42,750	57,576	73,326	↪ 15,750	204.2	376.8	54.2	249.4	313.9	79.4	120.0
August	175,944	207,628	↪ 31,634	63,345	74,948	↪ 11,388	224.7	376.6	59.7	254.2	321.8	79.0	117.0
September	176,250	180,411	↪ 4,161	63,450	64,948	↪ 1,498	255.0	382.7	58.8	220.9	319.7	69.1	119.7
October	188,900	203,189	↪ 14,289	68,004	73,577	↪ 5,144	242.7	371.6	65.3	248.8	315.4	78.9	117.8
November	168,306	223,285	↪ 55,519	60,590	80,577	↪ 19,987	214.9	379.0	56.7	274.0	312.6	87.7	121.2
December	▲ 249,186	▲ 234,239	↪ 14,947	89,529	84,771	↪ 4,758	...	...	...	...	...	...	...
1956: January	149,333	218,347	↪ 69,014	53,760	78,605	↪ 24,845	...	...	...	...	...	...	...

22. Foreign Exchange Receipts and Payments by Month

(In 1,000 dollars)

Year & Month	Receipts			Payments			Balance
	Exports	Invisible	Total	Imports	Invisible	Total	
1951 Total	1,297,324	948,257	2,240,581	1,725,111	184,167	1,909,278	331,303
1952 Total	1,289,186	949,942	2,239,127	1,718,361	206,454	1,924,815	314,312
1953 Total	1,156,399	963,638	2,120,037	2,100,998	212,718	2,313,716	↪ 193,679
1954 Total	1,532,478	776,786	2,309,264	1,961,680	247,616	2,209,296	99,967
1955: May	141,841	58,504	195,345	163,315	33,345	196,661	↪ 1,316
June	160,472	66,054	226,527	146,284	26,976	173,211	53,316
July	165,306	58,027	223,334	156,498	22,076	178,575	44,758
August	168,901	66,088	234,989	163,041	23,965	187,006	47,983
September	190,646	67,038	257,685	149,220	26,506	175,727	81,958
October	178,748	61,616	240,401	142,043	29,690	171,734	68,666
November	174,499	62,094	236,594	154,858	33,040	187,899	48,694
December	▲ 198,174	▲ 70,595	▲ 268,769	▲ 177,042	▲ 30,464	▲ 207,506	▲ 61,263
1954: December	162,525	64,479	227,005	124,072	20,810	144,882	82,123

23. Exports and Imports by Settlement Area

(In 1,000 dollars)

Year & Month	Exports						Imports						Balance			
	Total	%	Sterling	%	Open Account	%	Dollar	%	Total	%	Sterling	%	Open Account	%	Dollar	%
1951 Total	1,297,324	100	562,547	43	482,650	38	302,127	24	1,725,111	100	429,080	25	316,426	18	979,605	57
1952 Total	1,289,186	100	596,519	46	296,980	23	395,687	31	1,718,361	100	532,489	31	230,887	13	954,985	56
1953 Total	1,156,399	100	313,963	27	361,042	31	481,892	42	2,100,998	100	617,204	29	464,621	22	1,019,170	49
1954 Total	1,532,478	100	507,726	33	538,581	35	486,044	32	1,961,680	100	851,947	18	480,078	24	1,129,634	58
1955: May	141,841	100	55,396	39	33,087	23	53,321	38	163,315	100	52,530	32	39,418	24	71,237	44
June	160,472	100	60,722	38	35,453	22	64,257	40	146,234	100	49,059	33	40,617	28	56,531	38
July	165,306	100	63,001	38	35,596	22	66,650	40	156,498	100	53,801	34	38,519	25	46,102	41
August	168,901	100	56,974	34	42,376	25	69,487	41	163,041	100	53,259	33	40,203	25	69,517	43
September	190,646	100	67,767	36	40,360	21	82,475	43	149,220	100	49,958	34	34,403	23	64,778	43
October	178,784	100	62,677	35	38,946	22	77,109	43	142,043	100	48,253	34	28,273	20	65,495	46
November	174,499	100	63,229	36	39,785	23	71,331	41	154,858	100	51,292	33	32,773	21	70,727	46
December	▲ 198,174	100	▲ 65,676	33	▲ 49,075	25	▲ 82,893	42	▲ 177,042	100	▲ 45,719	26	▲ 37,906	22	▲ 92,313	52
1954: December	162,525	100	62,858	39	43,861	27	55,780	34	124,072	100	24,974	20	30,962	25	68,135	55

24. Indices for Industrial Activities

(1934-36=100)

Year & Month	Industrial Activities						Manufacturing						Balance		
	All	Public Works	Mining-Manufacturing	Mining	All	Food-stuff	Textiles	Printing & Binding	Chemicals	Rubber & Leather	Wood & Wood Products	Ceramics	Metals	Machinery	
1954 average	(153)	(2)	(151)	(10)	(141)	(12)	(12)	(1)	(37)	(10)	(2)	(7)	(18)	(42)	
1955 ,	173.5	236.9	166.9	117.0	173.4	191.8	81.9	109.6	267.2	170.8	177.0	175.3	192.3	257.4	
1955: May	186.7	254.7	179.7	117.2	188.2	191.8	86.3	125.3	316.7	181.8	186.0	175.6	218.2	250.2	
June	182.9	242.2	176.1	114.1	184.7	189.1	85.0	123.3	314.0	174.0	210.2	164.7	213.8	235.0	
July	187.1	245.3	180.2	115.5	189.2	209.3	86.5	123.7	328.3	167.0	179.5	171.4	212.2	242.8	
August	189.2	230.8	182.7	113.7	192.1	205.7	87.4	126.6	330.2	171.8	183.2	177.7	220.2	250.1	
September	193.3	240.0	186.5	119.4	195.7	194.4	90.7	127.3	339.2	192.7	188.8	188.0	223.5	251.8	
October	194.3	266.4	186.9	124.0	195.6	204.8	87.3	131.6	323.0	198.3	189.3	188.4	230.5	264.9	
November	198.0	270.5	190.5	126.1	199.2	214.9	91.8	129.1	319.5	193.9	188.9	191.9	234.0	275.2	
December	203.5	290.5	195.5	128.5	204.7	232.4	93.9	129.7	341.9	195.6	188.9	190.7	231.1	274.6	

Note: ^ Provisional figures. ^ Revised at source. In Table 24, figures in parentheses mean items represented.

Source: Table 21, Finance Ministry for value and Economic Planning Board, for indices; Table 22 & 23 Foreign Exchange Control Dept., Bank of Japan; Table 24, Economic Planning Board. *Canadian dollars & Swiss francs are included. ** German marks are included.

25. Coal Supply & Demand (1,000 metric tons)

Year & Month	Carry-overs (A)	Coal Output (B)	Deliveries			Losses (D)	Month-end Stocks			
			Total (C)	To Industries (Classifiable)	To Industries (Unclassifiable)		Total (A+B)-(C+D)	At Collieries	At Port	At Market
1955: June	3,120	3,466	3,644	3,139	477	477	3,524	1,143	1,116	1,265
July	3,524	3,421	3,230	3,228	2	6.6	3,722	1,127	1,251	1,343
August	3,722	3,316	3,515	3,597	472	4.6	3,527	1,062	1,120	1,346
September	3,527	3,549	4,025	3,990	35	24.8	3,075	967	952	1,156
October	3,076	3,736	3,705	3,859	154	10.1	3,117	920	1,005	1,192
November	3,117	3,866	4,194	4,210	16	9.0	2,797	795	856	1,146

26. Electric Energy Consumption (1,000 KWH)

Supplied by Power Companies (Over 500 kw)					Industries	Self-generated					
1955						1955					
July	August	September	October	November		June	July	August	September	October	
218,784	206,717	210,282	217,754	220,188	Mining	50,632	47,271	49,661	47,458	54,297	
94,735	35,206	31,901	26,964	29,358	Foodstuffs	632	370	626	418	1,371	
137,628	133,748	134,883	115,413	144,133	Spinning	784	633	620	814	638	
179,862	173,595	177,987	185,205	182,253	Paper & Pulp	60,733	57,709	61,488	66,012	68,812	
713,887	528,523	622,737	738,524	643,721	Chemical	235,531	232,301	190,155	207,624	209,237	
12,867	12,095	12,944	12,493	13,096	Oil & Coal Products	1,774	1,906	1,849	1,924	2,199	
13,722	13,766	15,846	16,120	16,154	Rubber Goods	—	—	—	—	—	
40,013	39,825	40,935	42,253	43,826	Glass & Earthen Products	93,113	95,772	97,197	107,781	107,436	
429,015	370,451	391,832	473,934	434,918	Primary Metals	205,143	210,524	180,615	195,255	225,283	
6,569	7,046	7,018	7,209	7,294	Metal Products	—	—	—	—	—	
25,501	25,660	26,478	28,233	29,207	Machinery	66	114	—	148	303	
34,224	31,717	35,399	42,400	44,792	Electric Machinery & Tools	—	—	—	—	—	
50,747	52,639	54,161	58,358	59,371	Transportation Machinery & Tools	—	—	—	—	—	
8,889	8,758	7,962	..	8,524	Other Manufacturing	—	—	—	—	—	
1,687,659	1,433,030	1,737,868	1,975,793	1,656,647	Manufacturing Total	597,779	599,297	532,672	580,076	696,199	
248,634	254,402	248,927	248,729	256,077	Public Utilities	89,547	92,615	89,940	92,157	54,508	
104,592	101,444	97,108	96,701	100,691	Others	162	—	—	—	—	
2,254,669	1,995,593	2,106,247	2,330,888	2,233,602	Total	648,785	739,183	672,604	719,691	750,687	

27. Supply & Demand of Raw Silk

(In bales=128 lbs.)

Year & Month	Raw Silk						Silk Fabrics	
	Production	Exports	Domestic Deliveries	Stocks at Month-end	U.S. Consumption	Stocks at Month-end	Production	Exports
1955: May	14,419	4,457	13,437	8,211	4,218	6,419	14,866	2,173
June	19,878	8,677	15,464	8,948	3,866	5,550	15,805	2,379
July	31,468	7,267	20,218	12,931	3,405	4,225	15,930	2,256
August	30,563	9,404	18,855	15,235	4,321	4,954	15,842	2,358
September	30,221	10,934	19,720	14,802	4,899	6,158	15,976	2,425
October	29,009	9,804	17,496	16,511	5,064	7,519	15,036	2,548
November	27,718	8,951	17,912	17,366	5,446	8,234	14,894	..
1955: January~November	261,424	77,087	180,128	—	49,454	—	169,047	22,711
1954: January~November	232,367	67,511	161,576	—	43,992	—	143,732	19,934

28. Supply & Demand of Paper and Pulp

Year & Month	Pulp (long ton)				Paper, Western Style (in 1,000 pounds)			Cardboard & Japanese Style Paper (in 1,000 pounds)				
	Production	For Paper	Deliveries	In Stock	Production	Deliveries	Self-Consumption	In Stock	Production	Deliveries	Self-Consumption	In Stock
1955: May	156,888	83,167	76,296	33,910	251,641	243,721	6,840	100,452	401,289	374,495	18,368	158,414
June	155,902	88,964	76,931	28,917	255,511	241,906	6,808	110,221	402,659	367,152	17,520	176,401
July	158,220	85,409	73,366	28,362	260,900	240,893	7,262	122,967	403,325	366,191	17,992	195,542
Aug.	156,892	84,910	72,935	27,409	261,408	246,028	7,791	130,556	403,887	378,227	18,125	203,076
Sept.	161,806	87,449	75,448	26,318	268,230	253,885	7,779	137,122	419,981	402,847	19,789	200,421
Oct.	164,151	88,837	72,003	29,629	272,932	259,234	7,381	143,439	432,058	410,991	19,778	201,709
1954: Oct.	134,087	72,135	62,567	59,324	228,865	243,568	7,198	158,187	359,270	366,746	19,008	229,238

29. Supply & Demand of Soda and Ammonium Sulphate

(In metric tons)

Year & Month	Ammonium Sulphate			Soda Ash			Caustic Soda		
	Production	Deliveries	In Stock	Production	Deliveries	In Stock	Production	Deliveries	In Stock
1955: April	186,500	180,855	5,185	27,070	26,068	4,117	41,415	36,112	9,221
May	196,634	216,679	2,578	25,364	24,385	3,578	42,989	35,941	9,691
June	181,898	158,806	4,647	23,461	21,725	4,034	43,526	38,966	7,809
July	185,378	127,223	9,393	28,070	26,286	4,186	43,564	38,443	8,032
August	161,467	152,543	103,499	28,488	26,004	5,198	43,537	37,882	7,452
September	177,718	160,363	114,236	27,138	25,286	5,449	44,360	37,011	8,172
October	175,501	168,144	114,049	29,368	28,192	4,930	47,842	39,161	9,537
1954: October	173,112	159,819	108,122	27,161	26,211	6,619	38,690	34,913	12,257

Sources: 25. Natural Resources Agency.

26. Public Utilities Bureau.

27. Central Raw Silk Association.

28. MITI.

29. MITI

* Revised at source.

30. JPA Procurement Contracts (In \$1,000)

	Contracts (monthly total)			Cumulative total as from June 26, 1950		
	Total	Merchandise	Services	Total	Merchandise	Services
June 1950 to June 1951.....	328,922	229,995	98,927	328,922	229,995	98,927
July 1951 to June 1952.....	313,283	234,848	78,435	642,205	464,843	177,362
July 1952 to June 1953.....	357,230	253,695	103,535	999,435	718,538	280,897
1955: April	13,679	5,939	7,740	1,395,321	879,780	515,541
May	19,662	12,730	6,932	1,413,956	891,926	522,030
June	24,596(4,205)	11,133(4,205)	13,463	1,438,135(8,543)	903,002(8,543)	535,133
July	31,859(1,589)	3,348(1,589)	28,511	1,469,597(10,132)	906,269(10,132)	563,328
August	8,979(596)	3,769(596)	5,210	1,478,224(10,728)	909,623(10,728)	568,601
September	9,460(1,264)	4,916(1,264)	4,544	1,488,096(17,788)	914,502(17,788)	573,594
October	21,674	4,063	17,611	1,509,700(17,788)	918,473(17,788)	591,227

Note: Figures in parentheses represent the purchase done by the U.S. Government with the yen earned through the sales of agricultural surplus. Figures totally revised. From this issue, only contracts based on dollars given (previously figures included both dollar and yen contracts).

Source: American Embassy Economic Section.

31. JPA Procurement Payments (In \$1,000)

	Monthly			Cumulative total as from June 26, 1950		
	Total	U.S.'s Burden	*Japan's Burden	Total	U.S.'s Burden	*Japan's Burden
1955: January	24,440	13,219	11,221	1,962,217	1,562,722	399,495
February	26,443	14,496	11,947	1,983,660	1,577,218	411,442
March	34,313	18,475	15,838	2,022,973	1,595,693	427,280
April	26,846	14,363	12,483	2,049,819	1,610,056	439,763
May	25,345	16,735	8,610	2,075,164	1,626,791	448,373
June	40,556	31,637	8,919	2,115,720	1,658,428	457,292
July	31,189	19,404	11,785	2,136,688	1,667,611	469,077
August	31,488	22,463	9,025	2,168,176	1,690,074	478,102

Note: *Payments made in yen equivalents.

Source: American Embassy Economic Section.

32. Department Store Sales (In million yen)

	By Month	No. of Stores	Total	Clothing	Sundry Goods	Household Utensils	Provisions	Dining Room	Services	Outside Store Sales	Others	Gift Certificates
Total	1955: March	158	17,327	8,432	3,646	1,449	2,498	496	188	455	162	251
	April	158	16,626	7,548	3,671	1,617	2,488	502	187	442	172	187
	May	158	14,788	6,621	2,965	1,546	2,314	503	167	500	172	134
	June	158	14,712	7,104	2,714	1,607	1,996	453	139	541	158	139
	July	158	19,311	8,487	3,764	2,060	3,382	577	139	718	176	553
	August	158	14,238	5,132	3,019	1,455	3,243	595	126	490	179	357
	September	158	12,452	5,642	2,441	1,200	2,007	426	138	449	148	103
	October	158	17,367	8,832	3,038	1,654	2,467	470	193	536	177	141
	November	158	19,534	10,694	3,028	1,849	2,491	478	202	612	180	158
Big Six Cities	1955: March	50	12,408	6,100	2,584	1,025	1,698	325	141	416	115	151
	April	50	11,939	5,382	2,659	1,197	1,713	335	141	395	117	112
	May	50	10,555	4,687	2,134	1,134	1,565	328	128	455	124	81
	June	50	10,670	5,119	1,982	1,221	1,352	305	105	493	113	89
	July	50	14,450	6,187	2,858	1,567	2,548	395	107	668	121	395
	August	50	9,619	3,306	2,116	1,025	2,137	382	94	438	122	140
	September	50	9,054	4,047	1,806	901	1,384	290	106	414	106	57
	October	50	12,563	6,317	2,227	1,226	1,708	320	145	492	128	86
	November	50	14,153	7,660	2,199	1,382	1,740	324	154	563	132	102
Provincial	1955: March	108	4,919	2,333	1,062	424	800	167	48	39	47	01
	April	108	4,687	2,166	1,012	420	775	167	46	47	55	175
	May	108	4,283	1,934	831	412	750	174	39	44	49	53
	June	108	4,042	1,985	733	406	644	148	34	48	45	50
	July	108	4,660	2,300	906	493	841	182	32	50	55	158
	August	108	4,619	1,825	903	429	1,107	213	33	52	57	140
	September	108	3,397	1,595	635	299	624	136	32	35	42	46
	October	108	4,804	2,515	811	428	759	149	48	44	49	54
	November	108	5,381	3,034	828	487	751	154	48	50	48	57

Source: Ministry of International Trade & Industry.

33. Labor Population Survey (In 1,000)

Year & Month	Total (1) Population	Total (2)	Population 14 years old and over				Agriculture & Forestry		Non-Agricultural Industry		
			Labor Force				Not in Labor Force	Not at Work (3)	At Piece- Work (4)	Not at Work (3)	At Piece- Work (4)
			Total of the follow- ing three columns	Agricul- ture & Forestry	Non-Agri- cultural Industries	Totally Unem- ployed					
1953 Average	86,780	58,310	39,700	17,130	22,120	450	18,620	260	6,270	300	3,360
1954	88,030	59,280	40,510	16,670	22,910	580	19,080	250	5,790	310	3,360
1955: July	89,100	60,830	43,110	18,690	23,690	720	17,610	180	4,880	380	3,450
August	89,200	60,820	42,190	17,620	23,860	710	18,540	230	7,110	410	4,090
September	89,300	61,040	42,640	17,820	24,140	670	18,300	170	6,950	290	4,170
October	89,400	61,440	44,110	19,140	24,250	720	17,240	140	5,320	320	3,500
November	89,400	61,410	43,180	17,560	25,050	570	18,130	160	5,750	250	3,440
December	89,500	61,350	41,410	15,070	25,770	570	19,840	230	7,210	270	3,640
1954: December	88,500	59,730	39,230	14,440	24,190	600	20,290	290	6,230	260	3,490

Notes: (1) Since August, 1950, total population is the estimated total population as of the 1st of next month.

(2) Including persons whose labor force status was unknown.

(3) Among the persons holding jobs but not at work during the survey week, the following are defined as not at work: self-employed workers are not at work provided that their employees or unpaid family workers are engaged in their business during the survey week; employees are not at work provided that either they received or are expected to receive payment.

(4) Those whose working hours total only 1~34 hours in a week.

Source: Bureau of Statistics, Office of the Prime Minister.

34. Spot Quotations on Tokyo Securities Exchange

Names of Shares	Au- thorized (Paid up) Capital In mil- lion yen	Divi- dends	1956			Names of Shares	Au- thorized (Paid up) Capital In mil- lion yen	Divi- dends	1956		
			January		Feb. 15				January		Feb. 15
			High	Low	High				High	Low	High
Transportation											
Jinsei Keisan	6,600	—	61	55	57	Ajinomoto	1,640	30	300	287	282
Kawasaki Steamship	1,100	—	63	54	51	Asahi Breweries	1,460	20	184	170	175
Mitsubishi Shipping	1,600	—	91	80	77	Dainippon Sugar Mfg.	720	25	148	136	146
Mitsui Steamship	5,400	—	68	54	49	Honen Oil	600	20	152	130	143
Nippon Express	7,200	16	198	192	197	Kirin Brewery	1,230	22	209	202	204
N.Y.K.	7,600	—	59	68	66	Meiji Confectionery	560	25	183	176	180
O.S.K.	7,600	—	88	49	50	Morinaga Confectionery	750	26	187	178	182
Tobu Railway	800	13	141	127	144	Nippon Breweries	1,480	20	171	160	160
Tokyo El. Express Railway	1,500	15	132	119	135	Nippon Cold Storage	1,800	20	127	117	118
Mining & Oil											
Furukawa Mining	1,352	—	95	88	83	Nippon Flour Mills	720	20	130	124	126
Mitsui Mining & Smelting	2,400	18	129	118	117	Nippon Suisan	2,800	15	112	99	101
Mitsubishi Mining	1,800	—	65	57	59	Nissin Flour Milling	1,000	20	125	120	122
Mitsubishi Metal Mining	2,100	15	150	137	133	Noda Soy Sauce	800	20	197	179	187
Mitsui Mining	1,200	—	73	63	62	Takara Shuzo	2,380	20	143	133	135
Nihon Mining	2,100	15	143	128	134	Chemicals					
Nittetsu Mining	300	30	350	324	325	Asahi El. Chemical	600	15	98	89	92
Nippon Oil	4,500	20	108	103	104	Dainippon Celluloid	1,000	15	130	117	118
Showa Oil	1,700	20	155	139	133	Electro-Chemical	1,020	20	153	132	150
Sumitomo Coal Mining	600	—	74	64	65	Japan Oil & Fat	1,000	—	41	35	40
Sumitomo Metal Mining	1,300	15	144	135	135	Kansai Paint	400	20	129	115	122
Teikoku Oil	2,000	15	92	83	76	Kyowa Fermentation Ind.	1,166	20	130	118	121
Shipbuilding & Machinery											
Ebara Mfg.	400	20	154	146	170	Mitsubishi Chem. Ind.	2,885	10	126	116	101
Fuji Electric	1,500	18	98	84	88	Mitsui Chemical Ind.	300	20	186	168	170
Furukawa Electric	8,000	12	88	78	78	New Japan Nitro-Fertilizer	1,200	15	100	88	93
Hitachi, Ltd.	6,600	15	98	66	93	Nippon Carbide	940	15	110	96	108
Hitachi Shipbuilding	8,160	10	81	71	72	Nippon Chem. & Medicine	500	20	147	136	142
Japan Precision Ind.	400	20	158	147	135	Nippon Soda	1,160	15	126	110	127
Japan Rolling Stock Mfg.	440	20	125	118	119	Nippon Synthetic Chem. Ind.	420	15	117	91	112
Kawasaki Dockyard	3,360	12	79	69	68	Nissan Chemical Ind.	2,000	15	90	79	80
Mitsubishi Elec. Mfg.	7,600	18	90	83	85	Nitto Chem. Ind.	2,000	15	110	105	107
Mitsubishi Heavy Ind., Reorg.	5,600	12	100	91	90	Sankyo	520	25	175	165	170
Mitsubishi Japan Heavy Ind.	3,000	12	79	66	65	Showa Denko	2,200	15	137	126	126
Mitsubishi Shipbldg. & Eng.	2,800	12	116	105	104	Sumitomo Chemical	4,000	20	113	107	108
Mitsui Shipbldg. & Eng.	1,120	16	145	132	131	Tos Gosei Chemical Ind.	1,200	20	154	144	133
Nippon Electric	1,000	15	114	102	101	Toyo Koatsu Ind.	1,800	20	170	160	170
Nippon Kogaku	310	15	151	140	137	Miscellaneous					
Yokogawa Electric	300	20	138	121	145	Asahi Glass	3,100	20	178	167	168
Tokyo Shibaura Electric	6,392	12	78	71	74	Fuji Photo Film	2,000	20	151	146	148
Steel & Metal											
Fuji Iron & Steel	8,400	12	72	68	72	Konishiroku Photo Industry	1,200	20	112	104	112
Kawasaki Steel	4,000	—	64	59	60	Nippon Musical Instruments	300	25	193	180	190
Nippon Light Metal	2,475	10	183	165	164	Nippon Sheet Glass	1,200	20	163	153	154
Nippon Steel Tube	5,000	15	100	94	92	Oriental Can	(A) 400	20	1,650	1,600	1,650
Sumitomo Metal Ind.	5,000	10	70	63	62	Tokyo Rope	420	10	151	146	150
Yawata Iron & Steel	9,600	12	76	69	75	Yokohama Rubber	894	8	148	137	140
Textiles											
Asahi Chemical	(B) 2,450	25	419	397	417	Paper & Printing					
Chuo Textile	500	8	58	51	53	Hokutsu Paper Mills	900	10	73	67	68
Dai Nippon Spinning	5,250	18	96	90	Honshu Paper	2,000	12	93	88	89	
Daito Woollen Spinning	1,200	20	128	112	120	Jujo Paper	1,120	30	279	255	257
Fuji Spinning	2,000	20	125	118	Mitsubishi Paper Mills	900	15	93	85	90	
Japan Wool Textile	1,280	30	247	225	Oji Paper	1,600	25	245	232	230	
Kanegafuchi Spinning	1,780	20	160	139	Toppan Printing	300	23	170	160	166	
Katakura Industry	1,000	—	41	33	Lumber & Ceramics						
Kokoku Rayon	3,000	10	75	68	Iwaki Cement	800	40	263	250	260	
Kokusaku Pulp	1,200	20	145	135	Nihon Cement	2,500	24	160	146	150	
Kurashiki Rayon	1,500	15	155	138	Nippon Gaishi	350	25	220	201	207	
Kurashiki Spinning	2,000	20	114	104	Nippon Toki	350	25	210	197	199	
Kureha Spinning	1,750	12	80	75	Onoda Cement	5,120	18	92	87	90	
Mitsubishi Rayon	1,500	20	150	129	Land, Warehouse & Trade						
Nippon Pulp Ind.	1,600	20	124	117	Heiwa Real Estate	1,280	10	221	210	202	
Nisshin Cotton Spinning	1,040	30	255	246	Mitsui Bussan	878	20	184	167	162	
Nitto Spinning	1,350	15	85	75	Mitsui Real Estate	200	20	786	750	770	
Ohmi Kensi Spinning	1,000	10	71	60	Mitsubishi Estate	2,064	20	199	183	175	
Sanyo Pulp	2,175	20	162	151	Mitsubishi Shoji	2,500	16	165	155	155	
Teikoku Linen	720	—	42	38	Mitsubishi Warehouse	600	10	98	90	91	
Teikoku Rayon	8,200	20	177	164	Dept. Stores & Amusements						
Toho Rayon	1,500	20	133	119	Mitsukoshi	1,860	23	298	273	282	
Tohoku Pulp	1,560	20	139	132	Nikkatsu	3,287	15	79	72	76	
Toyo Rayon	3,000	20	240	228	Shochiku Motion Picture	1,320	25	220	208	215	
Toyo Spinning	4,300	22	178	170							

Notes: (A) 500 yen shares. (B) 100 yen shares, others 50 yen. □ ex-new.

35. Exports and Imports by Country

(In million yen)

Settlement Area	Countries	Exports				Imports			
		1953 Total	1954 Total	Oct. 1955	Nov. 1955	1953 Total	1954 Total	Oct. 1955	Nov. 1955
	Total Exports & Imports	458,943	586,562	68,004	60,590	867,469	863,785	73,148	80,577
0	Asia Total	235,630	286,846	27,899	23,913	287,562	265,259	26,799	30,237
0	Korea	38,459	24,684	657	893	3,084	2,911	130	253
0	China	1,634	1,878	377	607	10,692	14,577	2,814	2,616
0	Ryukyu Islands	17,070	15,529	1,666	1,919	5,105	3,645	426	609
0	Hong Kong	22,400	27,815	3,561	2,693	2,880	1,426	200	268
0	Formosa	21,948	23,734	1,839	2,423	23,054	20,552	1,861	3,011
0	Southeast Asia Total	118,324	161,444	20,244	16,593	194,017	165,301	15,125	16,307
0	Indo-China	2,744	4,654	1,788	1,659	5,729	5,233	98	136
0	Thailand	18,418	23,438	3,578	2,328	30,473	24,901	652	496
£	Malayan Union	2,661	3,360	378	472	18,147	20,326	4,025	3,859
£	Singapore	11,553	13,281	1,852	1,851	18,147	2,648	522	694
0	Philippines	9,616	11,229	2,043	1,382	22,582	24,166	2,899	2,666
£	British Borneo	179	179	43	25	7,776	6,986	689	995
£	Indonesia	37,957	43,097	1,675	2,033	17,585	21,682	2,133	3,824
£	Burma	11,905	16,413	1,118	614	18,090	22,713	552	109
£	India	9,871	15,788	2,932	2,057	27,051	18,562	3,227	3,192
£	Pakistan	5,367	20,160	567	742	39,891	13,028	667	962
£	Ceylon	4,998	6,226	751	762	792	950	150	101
£	Portuguese India	204	170	12	45	1,415	2,347	247	114
£	Afghanistan	1,873	2,734	200	72	538	1,325	40	22
£	Iran	5,282	8,446	552	129	5,375	7,722	472	439
£	Iraq	5,158	6,110	535	408	314	217	125	326
£	Aden	1,415	3,348	222	169	708	102	183	115
£	Saudi Arabia	792	999	105	206	35,217	39,916	3,400	4,170
0	Kuwait	1,186	1,682	195	159	3,346	3,887	650	517
0	Turkey	442	2,444	739	2	1,567	2,091	11	—
0	Jordan	366	562	39	40	—	50	75	70
0	Syria	407	1,355	147	55	5	222	109	164
0	Lebanon	162	458	25	30	—	146	—	—
0	Europe Total	42,748	52,665	6,209	6,032	73,068	69,526	5,958	6,175
0	Sweden	3,464	3,031	392	358	4,667	3,268	131	179
0	Denmark	1,499	471	66	835	1,549	1,343	79	59
0	United Kingdom	11,931	18,405	1,680	1,261	17,577	13,358	1,281	1,384
0	Netherlands	5,539	7,855	795	796	5,830	4,227	315	261
0	Belgium & Luxemburg	2,166	2,896	467	327	3,136	4,955	348	140
0	France	4,239	4,189	499	491	9,628	7,400	474	233
0	West Germany	5,697	6,514	791	489	13,681	15,880	1,145	1,176
0	East Germany	—	880	—	—	2,116	1,897	355	0
0	Switzerland	1,640	1,708	152	213	2,900	3,925	240	325
0	Spain	220	564	176	170	4,515	4,783	275	1,449
0	Italy	1,500	1,940	265	462	3,057	6,295	1,049	869
0	Norway	908	420	34	96	681	150	15	5
0	Finland	1,448	551	21	9	1,293	815	23	28
0	Austria	48	282	67	90	378	324	46	36
0	North America Total	105,529	125,456	19,560	17,078	368,403	396,858	30,552	33,578
0	Canada	5,438	7,576	1,881	1,727	45,670	44,117	1,571	2,673
0	U.S.A.	81,663	99,655	16,416	14,063	272,810	304,899	24,254	24,756
0	Mexico	4,324	10,363	426	112	30,289	33,219	2,947	3,124
0	Nicaragua	712	1,397	65	56	1,366	3,031	610	664
0	Cuba	674	1,092	116	284	17,494	8,739	335	1,420
0	Panama	9,153	554	73	452	503	909	—	23
0	Colombia	1,730	8,415	163	241	155	200	18	33
0	Ecuador	408	477	42	21	78	2,122	4	516
0	South America Total	20,970	56,924	4,506	4,757	45,297	63,829	3,212	3,553
0	Peru	1,007	1,670	180	163	5,489	7,315	823	541
0	Brazil	7,826	28,155	1,052	1,054	14,081	26,580	1,541	1,946
0	Argentina	5,624	17,592	2,255	2,614	18,577	21,800	728	810
0	Chile	1,136	447	166	25	1,489	863	—	12
0	Uruguay	213	892	85	170	4,887	794	2	7
0	Africa Total	46,361	49,857	7,516	6,655	20,113	18,462	1,898	1,630
0	Egypt	1,085	2,312	377	298	8,217	10,086	939	677
0	Nigeria & Gold Coast	8,057	15,305	2,254	1,994	459	111	—	12
0	Liberia	19,277	9,055	2,422	1,828	—	87	—	5
0	Belgian Congo	2,861	4,249	111	94	61	25	9	—
0	British Congo	325	1,247	566	1,069	1,700	2,173	226	345
0	Union of South Africa	10,146	10,885	948	709	7,047	8,807	387	449
0	Australia & Oceania Total	7,705	14,794	2,815	2,155	73,026	49,769	4,723	5,389
0	Australia	3,244	10,155	1,774	1,324	62,037	42,160	3,798	4,558
0	New Zealand	492	941	89	392	3,514	1,612	159	226
0	Hawaii	2,534	2,092	217	290	679	638	123	2
0	New Caledonia	116	105	37	64	2,424	1,217	285	255
0	French Oceania	116	74	5	3	1,516	1,425	105	48
0	Hawaiian Territory	2,534	2,097	217	290	679	638	123	2

Source: Finance Ministry.

Note: 0 denote open account area; \$, dollar area; £, pound area.

36. Exports by Major Articles
(In million yen)

Articles	Unit	1954		1955			
		Aggregate		October		November	
		Volume	Value	Volume	Value	Volume	Value
Food, Beverage & Tobacco	—	—	48,477	—	4,847	—	4,807
Fish & Shellfish	m.t.	83,641	29,734	—	3,209	14,857	2,662
Canned, Bottled Fish	”	55,741	15,324	8,630	2,391	6,410	1,693
Cereals	—	—	2,021	—	89	—	246
Fresh & Frozen Fruit	m.t.	94,198	6,884	10,308	497	17,186	1,145
Sugar & Its Products	m.t.	28,452	1,254	85	16	94	18
Tea	1,000 lbs.	87,872	4,880	5,012	520	1,880	183
Beer	kl.	9,763	717	435	34	316,388	26
Tobacco	—	—	815	—	10	—	86
Raw Materials	—	—	29,978	—	3,797	—	3,259
Lumber	cu.m.	352,185	7,570	53,941	1,222	42,482	927
Textile Fibre	1,000 lbs.	45,627	18,412	5,875	2,263	5,131	1,982
Raw Silk	bales	10,154	16,880	9,617	2,001	8,485	1,718
Fertilizers & Mineral Products	—	—	588	—	16	—	26
Animal & Vegetable Materials	—	—	2,505	—	196	—	254
Coal & Petroleum	—	—	2,041	—	155	—	221
Animal & Vegetable Oils	—	—	4,678	—	330	—	231
Animal Oil	m.t.	19,209	3,388	—	295	—	207
Cod-liver Oil	”	9,423	2,724	407	132	836	188
Vegetable Oil	”	9,959	1,222	204	33	132	22
Chemicals, Drugs	—	—	28,404	—	2,370	—	2,720
Pharmaceuticals	—	—	3,265	—	224	—	217
Chemical Fertilizer	m.t.	714,737	13,311	36,661	796	62,722	1,150
Manufactured Products by Material	—	—	838,949	—	37,639	—	33,433
Rubber Goods	—	—	2,923	—	428	—	377
Tyres & Inner Tubes	m.t.	5,442	2,087	929	847	784	802
Wood & Cork Products	—	—	11,615	—	1,488	—	1,032
Paper & Related Products	m.t.	61,644	5,129	6,269	522	6,179	559
Textiles	—	—	197,944	—	19,285	—	16,925
Woollen Yarn	1,000 lbs.	11,862	9,475	594	497	646	507
Cotton Yarn	”	29,547	8,493	2,093	576	1,928	713
Rayon Yarn	”	56,482	10,542	730	126	637	114
Spun Rayon Yarn	”	17,352	3,522	3,485	534	2,578	361
Cotton Fabrics	1,000 sq. yds.	1,278,075	90,835	105,094	7,645	91,804	6,613
Silk Fabrics	”	25,911	4,911	2,723	520	2,289	467
Woollen Fabrics	”	12,051	6,053	2,017	1,193	1,077	605
Artificial Fibre Fabrics	”	583,442	39,345	86,342	5,452	80,344	5,166
Non-Metallic Minerals	—	—	29,915	—	2,968	—	2,517
Cement	m.t.	904,568	6,853	132,399	861	105,119	699
Glass Products	—	—	3,557	—	419	—	343
Chinaware	—	—	12,545	—	1,397	—	1,147
Precious Metals & Gems	—	—	6,608	—	645	—	689
Cultured Pearls	kg.	12,154	2,664	1,481	257	1,801	362
Base Metals & Products	—	—	74,969	—	10,185	—	9,396
Iron & Steel	m.t.	1,183,019	59,913	154,248	7,919	145,750	7,886
Steel Bars & Shapes	”	195,872	7,010	36,454	1,315	27,674	993
Steel Plates (ungalvanized)	”	311,303	15,571	21,096	1,170	24,626	1,447
Copper	”	30,194	8,331	8,322	1,202	1,175	441
Nickel	”	—	—	293	276	153	222
Aluminium	”	14,843	2,941	2,198	495	1,826	411
Metal Products	—	—	14,679	—	2,115	—	1,931
Machinery & Transportations Equipment	—	—	72,825	—	9,555	—	7,422
Machinery (excl. electric machines)	—	—	36,493	—	8,106	—	2,422
Prima Movers	—	—	2,087	—	—	—	—
Metal Processing Machines	—	—	858	—	308	—	54
Textiles Machines & Parts	—	—	16,378	—	566	—	551
Sewing Machines & Parts	—	—	11,368	—	1,323	—	1,098
Electric Machines	—	—	8,275	—	998	—	736
Gen. Motors, Trans. & Alternators	unit	—	2,087	—	174	—	97
Electric Bulbs	1,000 pcs.	—	1,310	15,186	150	7,097	68
Transportation Equipment	—	—	28,056	—	5,450	—	4,265
Railway Rolling Stock	—	—	2,876	—	437	—	544
Automobiles	—	—	2,307	—	351	—	163
Bicycles & Parts	m.t.	462	2,483	—	316	—	318
Ships	unit	—	20,322	44	4,335	16	3,230
Miscellaneous (incl. others)	—	—	59,705	—	9,004	—	8,006
Camera	—	—	3,442	26,435	172	20,310	146
Toys	m.t.	38,041	11,294	4,920	1,581	3,541	1,142
Totals Exports (incl. others)	—	—	586,562	—	68,004	—	60,590

Note: Figures of group total include others than represented. Figures for value are rounded under one thousand.

Source: Customs Division, Tax Bureau, Ministry of Finance.

37. Imports by Major Articles

(In million yen)

Articles	Unit	1954		1955		November	
		Aggregate		October		November	
		Volume	Value	Volume	Value	Volume	Value
Food, Beverage & Tobacco	—	—	235,363	—	15,860	—	19,812
Cereals (rice, wheat & barley, etc.)	m.t.	4,624,893	175,931	356	11,619	337,936	12,935
Fruit & Vegetables	"	134,663	7,560	8,467	388	10,410	433
Sugar	"	1,182,131	40,668	75,642	2,590	134,760	4,896
Coffee	1000. lbs.	898,611	1,576	965	196	1,158	251
Spirits	l.	952,549	352	—	13	—	24
Raw Materials	—	—	405,317	—	35,103	—	38,452
Hides & Skins	m.t.	46,911	7,130	4,908	575	4,308	6,032
Cow Hide	"	34,405	4,403	3,172	348	3,054	368
Box Calf	"	6,670	1,907	504	127	635	176
Oil Seeds	"	713,094	34,854	69,812	3,213	68,784	3,109
Peanuts	"	7,225	731	272	20	218	16
Copra	"	40,691	3,264	5,772	369	4,759	347
Soy-beans	"	507,765	23,937	38,914	1,659	38,520	1,571
Rubber	"	100,866	15,534	9,547	2,904	19,073	3,034
Crude Rubber	"	81,472	13,850	7,553	2,591	7,438	2,541
Latex	"	5,409	862	760	166	653	174
Synthetic Rubber	"	2,205	699	554	135	1,143	304
Lumber & Cork	c.m.	—	18,021	—	1,830	—	1,818
Lumber	"	1,869,020	17,296	167,707	1,773	188,997	1,791
Cork	m.t.	6,522	684	345	54	154	23
Pulp & Scrap Paper	—	—	8,742	—	598	—	687
Fibres & Textiles	1,000 lbs.	1,525,113	222,480	109,946	14,374	134,253	17,164
Silk (incl. cocoons)	1,000 lbs.	1,679	601	121	33	134	36
Wool	"	164,247	57,173	13,886	4,107	16,228	4,364
Cotton	"	1,078,856	147,378	71,153	8,940	90,277	11,303
Cotton Linter	"	33,480	785	2,265	68	689	23
Waste Cotton	"	77,428	7,440	7,524	510	8,252	568
Hard & Bast Fibres	"	150,075	7,024	13,967	613	17,258	722
Jute	"	59,580	2,106	4,448	148	6,097	228
Flax	"	6,473	781	428	44	390	34
Sisal Hemp	"	20,666	781	2,002	73	2,425	90
Manila Hemp	"	60,182	3,027	6,986	343	7,466	365
Fertilizers & Non-metallic Minerals	m.t.	—	30,018	—	8,991	—	3,729
Fertilizers	"	2,050,195	19,548	251,985	2,646	238,516	2,280
Salt	"	1,743,530	5,778	235,875	978	224,967	902
Asbestos	"	20,281	1,415	1,376	91	2,067	146
Magnesite	"	41,061	757	3,232	58	5,574	95
Metals & Ores	m.t.	6,753,936	61,611	782,651	7,000	759,113	7,438
Iron Ore	"	5,004,787	23,845	548,811	3,043	492,032	2,719
Scrap Iron	"	978,103	15,796	140,243	2,571	144,401	2,831
Non-ferrous Metals	"	697,191	9,069	93,320	1,178	121,212	1,629
Nickel	"	146,889	1,470	6,424	333	3,978	223
Aluminium	"	294,199	1,228	38,715	284	30,286	251
Manganese	"	113,762	1,274	21,815	100	34,953	156
Animal Materials	—	—	2,328	—	222	—	221
Vegetable Materials	—	—	4,603	—	395	—	619
Coal & Petroleum	—	—	96,246	—	9,458	—	11,438
Coal	m.t.	3,607,889	22,702	288,877	2,179	304,192	2,270
Anthracite	"	368,221	2,346	2,644	16,465	7,020	52
Bituminous (for coking)	"	3,072,011	19,488	286,200	2,162	291,372	2,193
Petroleum	k.l.	10,430,452	71,723	1,071,103	7,221	1,293,172	9,003
Crude & Unrefined	"	7,415,984	48,247	734,804	4,600	931,890	5,982
Gasoline	"	430,022	5,049	12,992	154	21,538	279
Kerosene & Gas Oil	"	111,019	1,233	64,867	627	90,883	903
Fuel Oil	"	2,429,769	15,673	256,496	1,743	249,954	1,728
Lubricants (excl. grease)	"	43,658	1,581	1,944	98	2,280	102
Petroleum Coke	m.t.	113,953	1,005	3,493	38	10,582	103
Animal & Vegetable Oils	—	—	8,614	—	1,157	—	1,042
Animal Fats & Oils	m.t.	95,113	6,815	10,619	816	8,580	675
Vegetable Oils	"	16,408	1,637	3,222	809	3,403	345
Chemical, Drugs	—	—	22,989	—	2,381	—	2,905
Manufactured Products by Material	—	—	22,068	—	1,924	—	1,945
Hides, Leathers & Furs	m.t.	408	678	—	83	82,669	12
Rubber Goods	—	—	252	—	15	15,091	25
Paper & Related Products	m.t.	4,470	441	41	14	452	35
Yarns & Fabrics	—	—	2,873	—	239	—	178
Base Metals	m.t.	125,106	13,166	—	112	—	129
Iron & Steel	"	88,054	4,026	8,046	351	10,182	411
Tin	"	5,128	3,598	682	526	523	398
Machinery & Transportation Equipment	—	—	63,747	—	4,818	—	4,027
Machinery (excl. electric machines)	—	—	40,455	—	2,981	—	2,201
Electric Machines	—	—	4,734	—	924	—	966
Transportation Equipment	—	—	18,557	—	1,163	—	860
Miscellaneous	—	—	8,839	—	568	—	651
Total Imports (incl. others)	—	—	863,785	—	73,148	—	80,557

Note: Figures of group total include other items not represented above. Figures for value under one thousand are rounded.

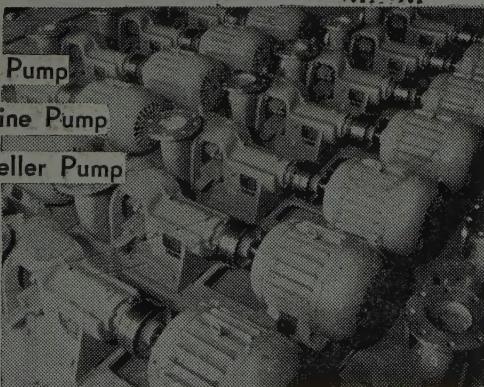
Source: Customs Division, Tax Bureau, Ministry of Finance.



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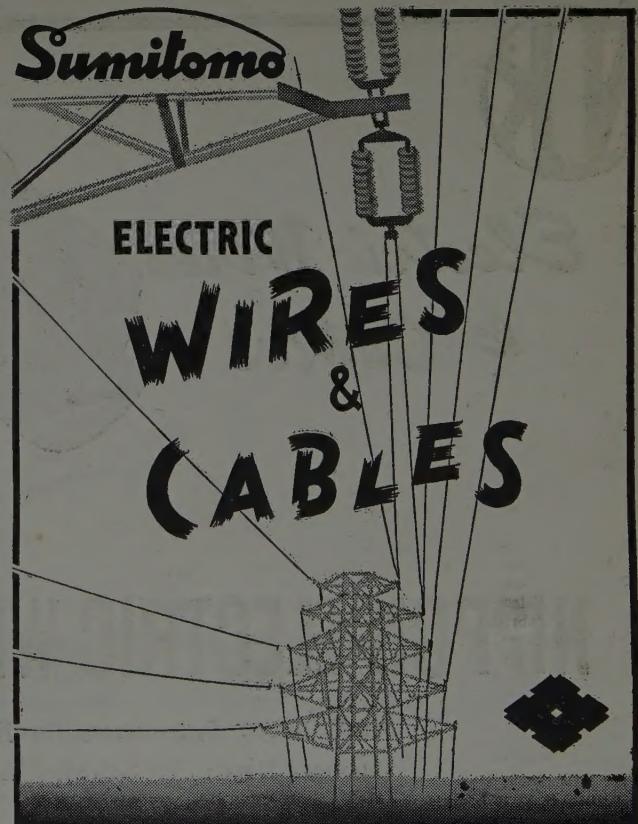
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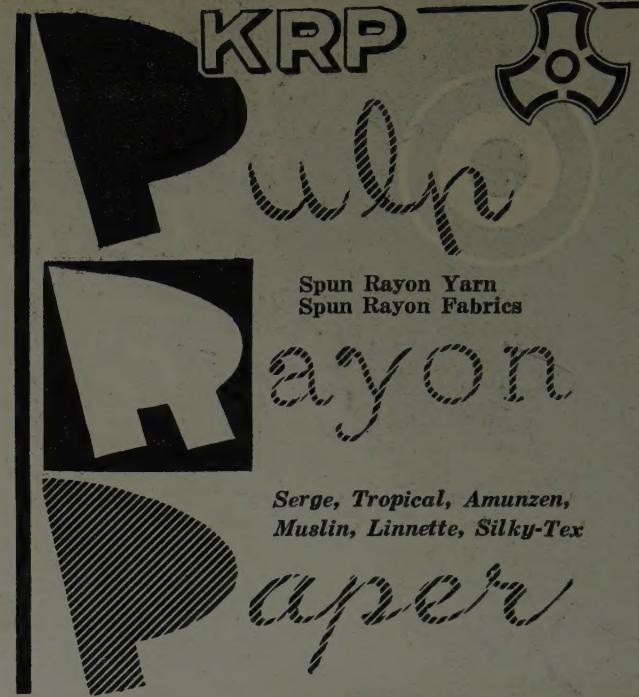
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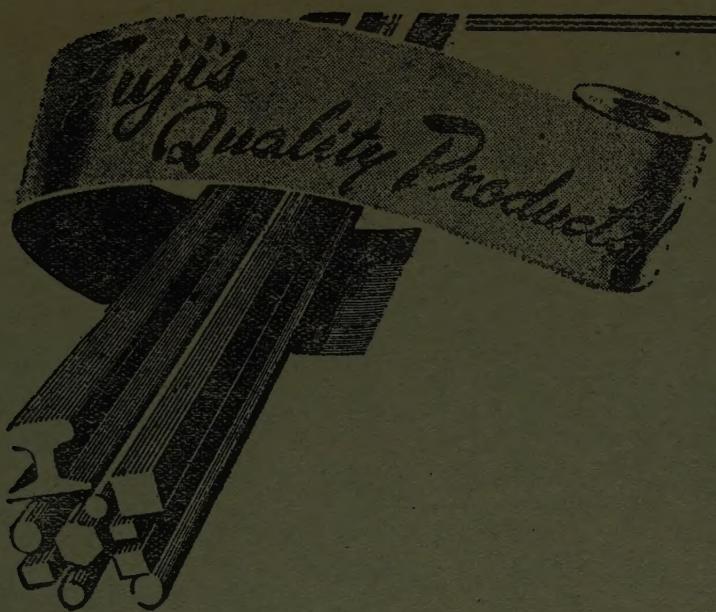
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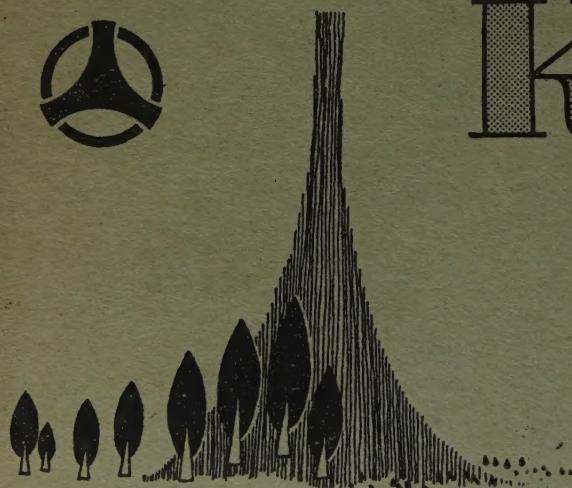


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